



## **Is my company acting as “operator” or “trader”?**





### **Examples clarifying in which cases FEFPEB-members are classified as “operator” or “trader”**

Particularly for its members, FEFPEB created examples clarifying in which cases a company is classified as an “operator” and/or as a “trader”. These examples are examples only and not exhaustive.

**Operator:** An “operator” places timber or timber products for the first time on the EU market

**Trader:** A “trader” sells or buys timber or timber products on the internal market that are already placed on the internal market (by an operator).

#### **Legend of colors**

-  The classification "operator" is shown in an orange box
-  The classification "trader" is shown in a blue box
-  A company can be classified as an “operator” and/or as a “trader”: this is shown in an orange/blue box
-  A company is not classified as an “operator” as the timber/timber products is/are excluded from the scope of the EU Timber Regulation

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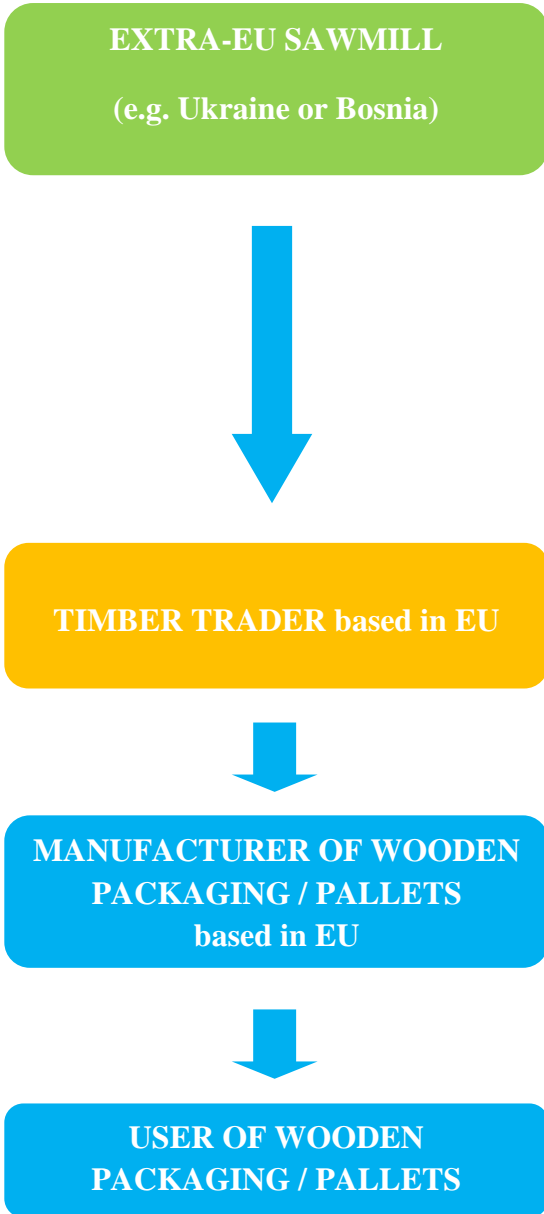
**CASE 1:**

Purchase of semi-processed products from EXTRA-EU sawmills through an EU based trader

**CASE 2:**

Direct purchase of semi-processed products from EXTRA-EU sawmills by an EU based manufacturer of wooden packaging / pallets

**CASE 1**

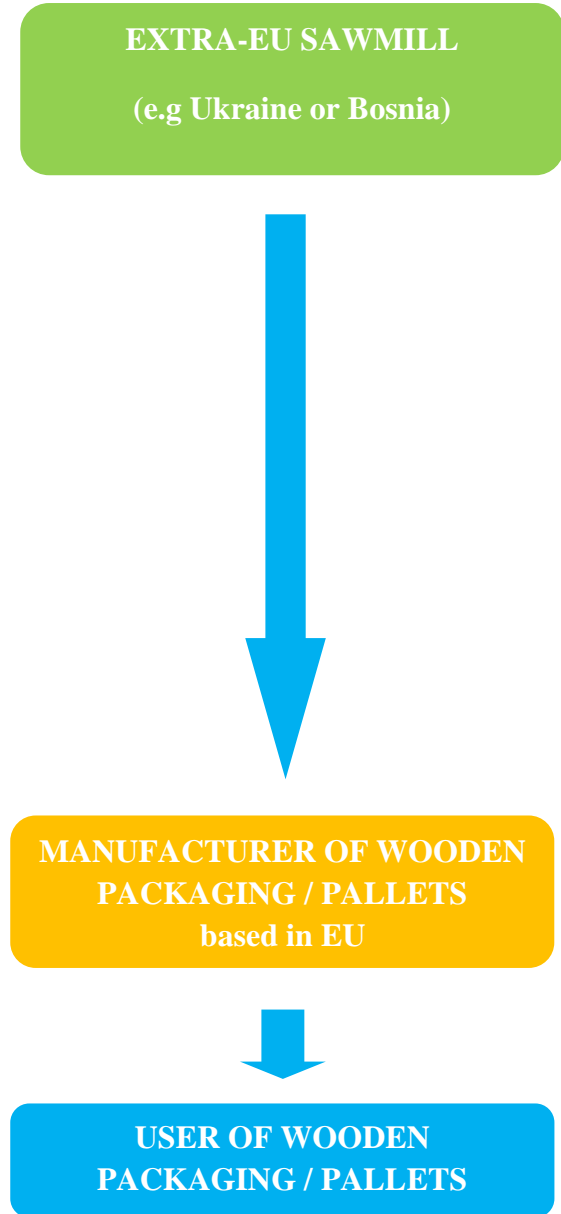


In this case, the “EU timber trader” is classified as an “operator” and is therefore required to exercise a due diligence system for the purchase of timber or timber products in compliance with EU Regulation 995/2010.

The “manufacturer of wooden packaging / pallets” who buys from an operator becomes a “trader” and is therefore required to keep a register of who he buys from and sells to for five years.

The “user” is a “trader” and is therefore required to keep a register of who he buys from and sells to for five years. This also applies to subsequent transactions, with the exception of sales to the end consumer.

**CASE 2**



In this case the “manufacturer of wooden packaging / pallets” is classified as an “operator” and is therefore required to exercise a due diligence system for the purchase of timber or timber products in compliance with EU Regulation 995/2010.

The “user” is a “trader” and is therefore required to keep a register of who he buys from and sells to for five years. This also applies to subsequent transactions, with the exception of sales to the end consumer.

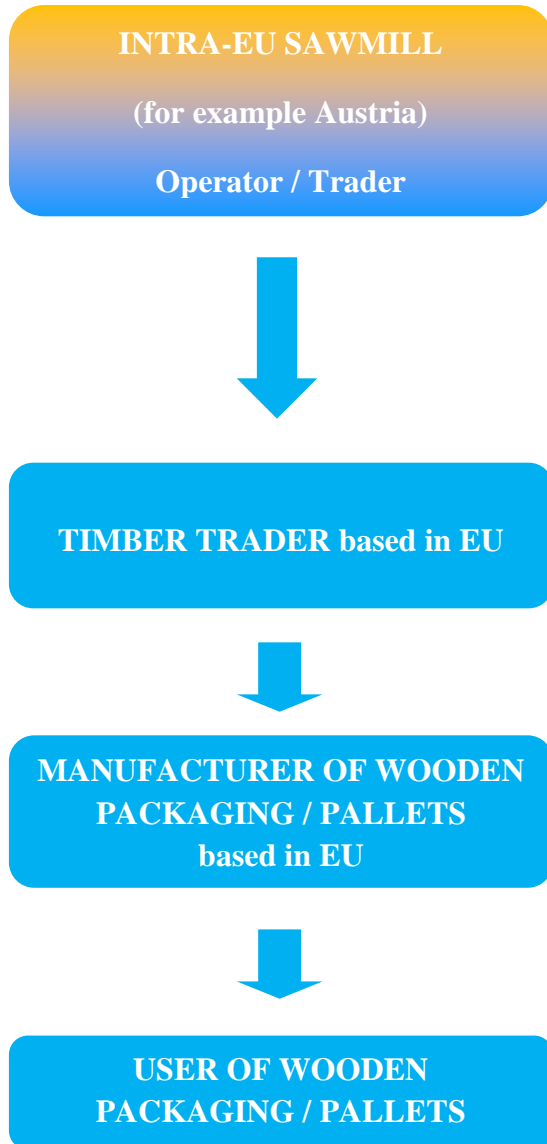
### **CASE 3:**

Purchase of semi-processed products from INTRA-EU sawmills through an EU based trader

### **CASE 4:**

Direct purchase of semi-processed products from INTRA-EU sawmills by an EU based manufacturer of wooden packaging / pallets

#### **CASE 3**



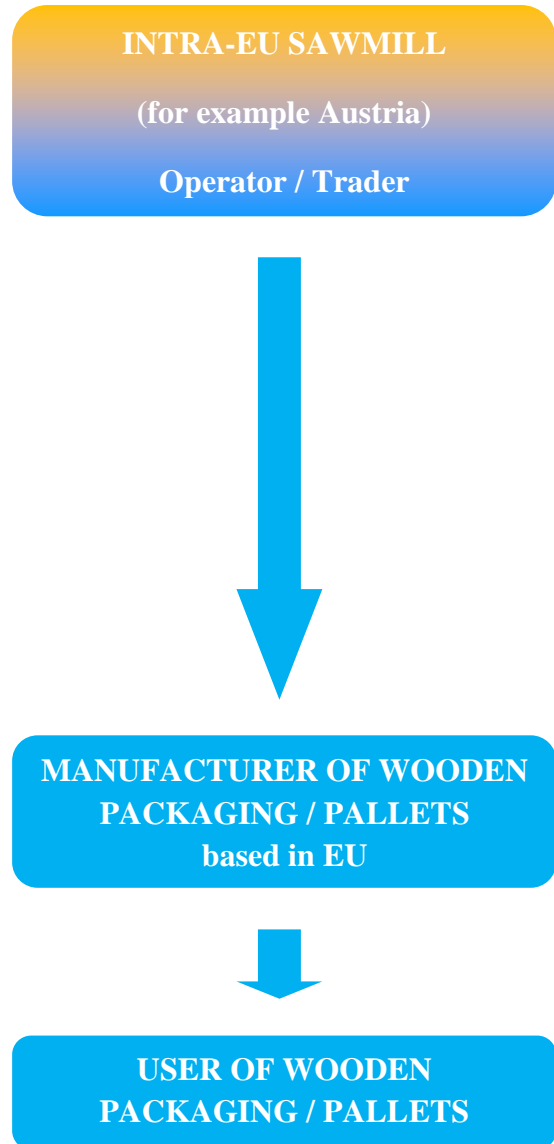
In this case the timber trader is classified as a “trader” and is therefore required to keep a register of who he buys from and who he sells to for five years.

The “manufacturer of wooden packaging / pallets” is classified as a “trader” and is required to keep a register of who he buys from and sells to for five years.

The “user” is a “trader” and is therefore required to keep a register of who he buys from and sells to for five years. This also applies to subsequent transactions, with the exception of sales to the end consumer.

It is obvious that the “operators” obligation must be honored either by the INTRA-EU sawmill that supplies the timber or by the logging company that the INTRA-EU sawmill buys the logs from.

#### **CASE 4**



In this case the “manufacturer of wooden packaging / pallets” is classified as a “trader” and is therefore required to keep a register of who he buys from and sells to for five years.

It is obvious that the “operators” obligation must be honored either by the INTRA-EU sawmill that supplies the timber or by the logging company that the INTRA-EU sawmill buys the logs from.

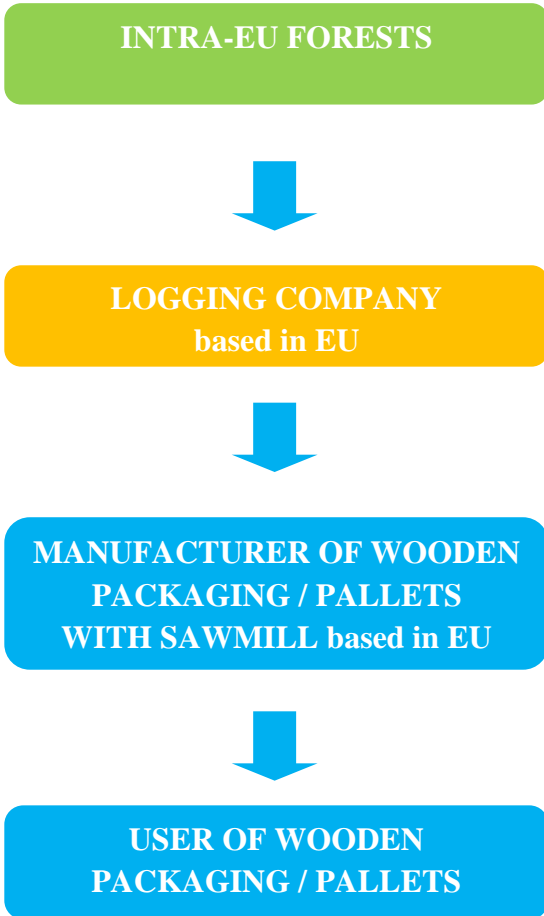
**CASE 5:**

Direct purchase of logs from INTRA-EU logging companies

**CASE 6:**

Direct purchase of logs from EXTRA-EU logging companies

**CASE 5**



In this case the “logging company” is an “operator” and is therefore required to exercise a due diligence system for the purchase of logs in compliance with European Regulation 995/2010.

The “manufacturer of wooden packaging / pallets with sawmill” is classified as a “trader” and is therefore required to keep a register of who he buys from and sells to for five years.

The “user” is a “trader” and is therefore required to keep a register of who he buys from and sells to for five years. This also applies to subsequent transactions, with the exception of sales to the end consumer.

**CASE 6**



In this case the “manufacturer of wooden packaging / pallets with sawmill” is classified as an “operator” and is therefore required to exercise a due diligence system for the purchase of logs in compliance with European Regulation 995/2010.

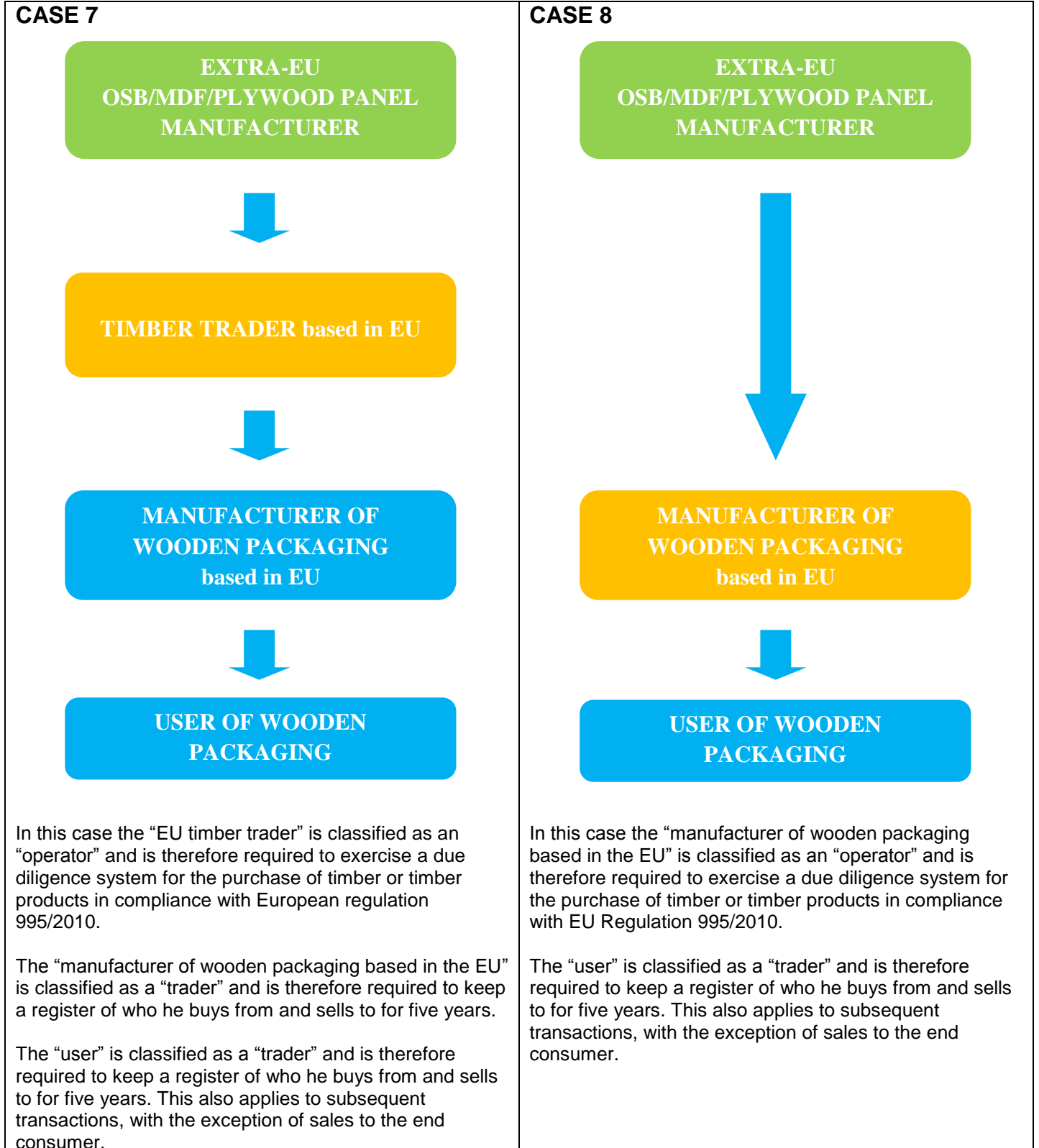
The “user” is classified as a “trader” and is therefore required to keep a register of who he buys from and sells to for five years. This also applies to subsequent transactions, with the exception of sales to the end consumer.

**CASE 7:**

Purchase of EXTRA-EU panels through an EU trader

**CASE 8:**

Direct purchase of EXTRA-EU panels



**CASE 9:**

Direct purchase of panels from an INTRA-EU manufacturer

**CASE 10:**

Direct purchase of pallets from an INTRA-EU manufacturer

**CASE 9**

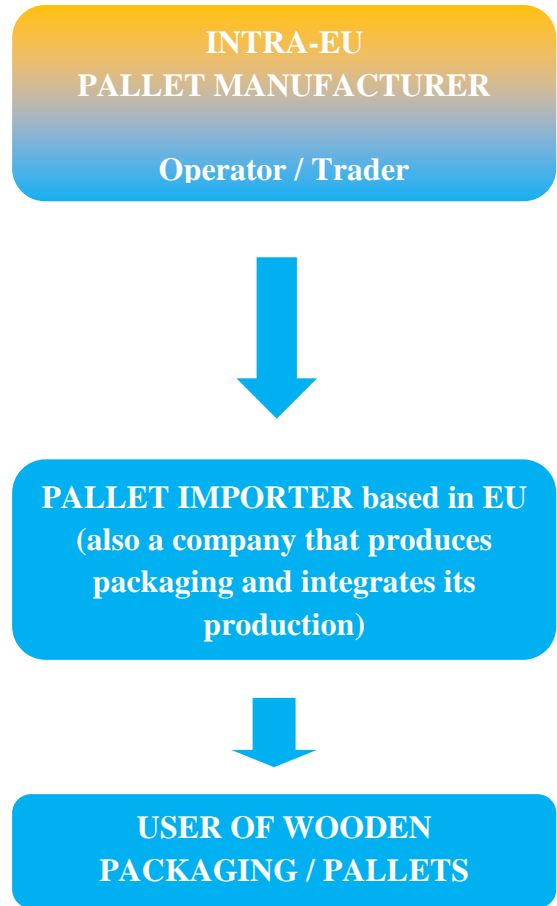


In this case the “EU manufacturer of wooden packaging” is classified as a “trader” and is therefore required to keep a register of who he buys from and sells to for five years.

The “user” is classified as a “trader” and is therefore required to keep a register of who he buys from and sells to for five years. This also applies to transactions after this, with the exception of sales to the end consumer.

It is obvious that the “operators” obligation must be honored either by the INTRA-EU manufacturer that he buys the panels from or by the company from which the panel manufacturer buys the logs/semi-processed products.

**CASE 10**



In this case the “pallet importer” is classified as a “trader” and is therefore required to keep a register of who he buys from and sells to for five years.

The “user” is classified as a “trader” and is therefore required to keep a register of who he buys from and sells to for five years. This also applies to subsequent transactions, with the exception of sales to the end consumer.

It is obvious that the “operators” obligation must be honored either by the INTRA-EU manufacturer that he buys the panels from or by the company from which the pallet manufacturer buys the logs/semi-processed products.

**CASE 11a:**

Direct purchase of pallets from an EXTRA-EU manufacturer

**CASE 11b:**

Direct purchase of pallets from an EXTRA-EU manufacturer: concept of country of production/origin (country of harvest). EU Regulation 995/2010 becomes complicated in case of complex chains of custody, as is the case with imported pallets.

**CASE 11a**



In this case the “pallet importer” is classified as an “operator” and is therefore required to exercise a due diligence system for the purchase of timber or timber products in compliance with European Regulation 995/2010 (the manufacturer of wooden packaging who integrates his production/services with direct imports of extra-EU packaging or a user who imports extra-EU pallets directly is classified as an “operator”).

The “user” is a “trader” and is therefore required to keep a register of who he buys from and sells to for five years. This also applies to subsequent transactions, with the exception of sales to the end consumer.

**CASE 11b**



The due diligence system for the purchase of timber or timber products in compliance with European Regulation 995/2010 provides that, in addition to all the other requirements, the accompanying legal documents for pallets in this case should be documents on the legal harvesting of forests in Russia/Siberia, Ukraine and Belarus. The “pallet importer” must have all this documentation.



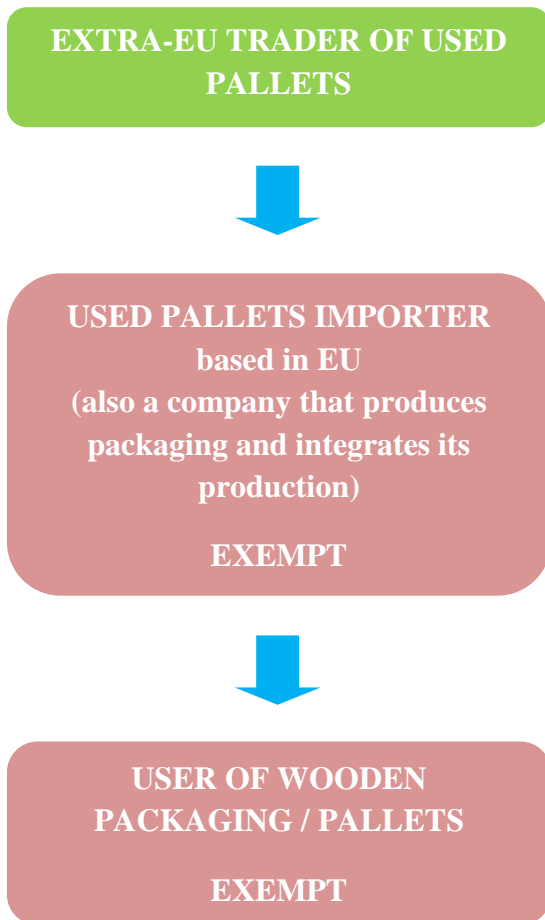
### CASE 12:

Direct purchase of USED pallets from an EXTRA-EU trader

### CASE 13:

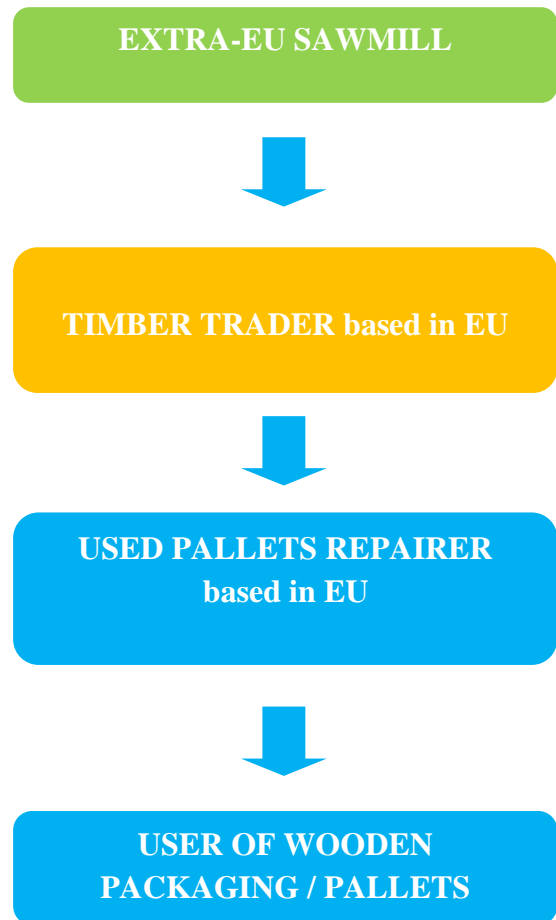
Purchase of semi-processed products from an EXTRA-EU sawmill through an EU trader for used pallet repairs

#### CASE 12



In this case the “importer” of used pallets is NOT classified as an “operator” as **used/recycled timber and timber products are excluded from the scope of the EU Timber Regulation.**

#### CASE 13



In this case the “EU timber trader” is classified as an “operator” and is therefore required to exercise a due diligence system for the purchase of logs in compliance with European Regulation 995/2010.

The “EU pallet repairer” is classified as a “trader” and is therefore required to keep a register of who he buys from and sells to for five years (N.B.: only for the timber used for pallets since used pallets are exempt).

The “user” is classified as a “trader” and is therefore required to keep a register of who he buys from and sells to for five years. This also applies to subsequent transactions, with the exception of sales to the end consumer.

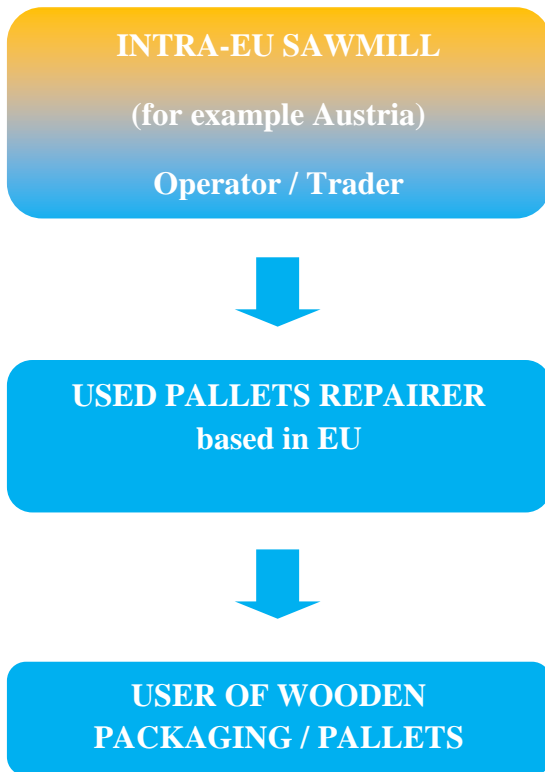
### **CASE 14:**

Direct purchase of semi-processed products from INTRA-EU sawmills for used pallet repairs

### **CASE 15:**

Direct purchase of semi-processed products from EXTRA-EU sawmills for used pallet repairs

#### **CASE 14**

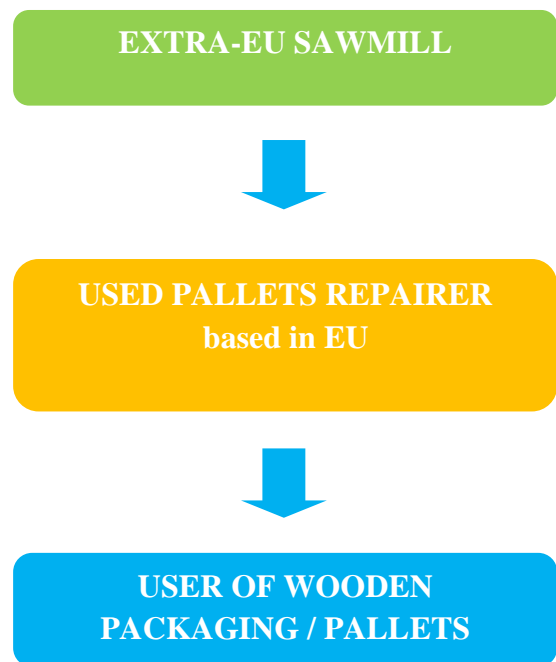


In this case the “EU pallet repairer” is classified as a “trader” and is therefore required to keep a register of who he buys from and sells to for five years (N.B.: only for the timber or timber products that are used for pallets since used pallets are exempt).

The “user” is classified as a “trader” and is therefore required to keep a register of who he buys from and sells to for five years. This also applies to subsequent transactions, with the exception of sales to the end consumer.

It is obvious that the “operator’s” obligation must be honored either by the INTRA-EU sawmill where the purchase is made or by the logging company from which the sawmill buys the logs.

#### **CASE 15**



In this case the “EU pallet repairer” is classified as an “operator” and is therefore required to exercise a due diligence system for the purchase of timber or timber products in compliance with European Regulation 995/2010 (NB: only the timber that is used for pallets since used pallets are exempt).

The “user” is classified as a “trader” and is therefore required to keep a register of who he buys from and sells to for five years. This also applies to subsequent transactions, with the exception of sales to the end consumer.

## **CASE 16:**

Direct purchase of chipboard blocks  
for pallets from an INTRA-EU manufacturer

### **CASE 16**

**INTRA-EU MANUFACTURER  
OF CHIPBOARD BLOCKS FOR  
PALLETS**



**PALLETS MANUFACTURER  
EXEMPT**



**USER OF WOODEN  
PACKAGING / PALLETS  
EXEMPT**

**Please note that used/recycled timber and timber products are excluded from the scope of the EU Timber Regulation.**

The “manufacturer of chipboard blocks for pallets” is classified as an “operator” or “trader” in case only just a cubic meter of timber from forest resources is used (e.g. log chips and not sawmill waste). Being an “operator” or “trader” depends on whether the company uses timber or timber products that is placed for the first time on the EU market.

The “manufacturer of chipboard blocks for pallets” is exempt in case the blocks are produced with used and recycled wood or with sawmill waste and therefore with used material.

Please note that when dealing with a product that is made of a mix of “virgin” wood and other recycled or used materials, it is the “virgin” element of the product that makes it fall under the scope of the EU Timber Regulation.