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The European Commission adds and removes certain "*downstream products*" from the scope of the EU's *Deforestation-Free Products Regulation* (EUDR)

By Amanda Carlota, Stella Nalwoga, and Tobias Dolle

The EU's *Regulation (EU) 2023/1115 of the European Parliament and of the Council on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation* (hereinafter, EU Deforestation-Free Products Regulation, EUDR) is once again being amended. This is the third round of amendments before the Regulation actually starts applying. On 4 May 2026, the European Commission (hereinafter, Commission) published several documents related to the EUDR, including a *Report* on the simplification measures that had been implemented since the EUDR entered into force in June 2023, as well as a draft *Delegated Regulation*, which foresees to remove and add certain "*downstream products*" from the scope of the EUDR.

This article provides an overview of the simplification measures and their anticipated effects, and examines the implications for businesses arising from the addition and removal of certain downstream products from the scope of the EUDR.

The EUDR and the EU's steps to simplify compliance

The EUDR will require companies to demonstrate that the seven covered commodities, namely: 1) cattle, 2) cocoa, 3) coffee, 4) palm oil, 5) soy, 6) wood, and 7) rubber, as well as their derived products, are: 1) deforestation-free; 2) produced in accordance with the relevant laws of the producer's country; and 3) covered by a due diligence statement. The EUDR entered into force in 2023 and was initially scheduled to apply from 30 December 2024 (for medium and large companies and micro and small operators already covered by the *EU Timber Regulation*) and from 30 June 2025 (for all other micro and small operators).

In order to reduce compliance costs for companies, in 2024 and 2025, the EU adopted various simplification measures, based on input from stakeholders and EU Member States, and postponed the application of the new obligations twice. Notably, the EU finally postponed the EUDR's application to 30 December 2026 (for medium and large companies and micro and

small operators already covered by the *EU Timber Regulation*) and to 30 June 2027 (for all other micro and small operators).

As part of the simplification efforts, the EU simplified the due diligence requirements under the EUDR's three-tiered *benchmarking system*, which classifies countries according to the level of risk (low, standard, or high) of producing commodities falling within the scope of the EUDR and that are not deforestation-free. Companies sourcing from countries classified as "*low-risk*" are not obliged to carry out risk assessments, nor to adopt risk mitigation measures, "*unless they obtain or are made aware of information that would point to a risk that the relevant products do not comply with the EUDR*". Another notable simplification measure is that downstream operators and traders will be exempt from submitting due diligence statements.

Adjusting the scope: Removing leather and adding soluble coffee

Annex I to the EUDR clearly defines, on the basis of the respective Harmonised System (HS) Customs codes, the products derived from the covered commodities that are subject to the EUDR obligations. Based on input from public consultations, the Commission published a draft *Delegated Regulation,* which proposes targeted amendments to the product scope of the EUDR. These amendments are driven, according to the Commission, by "*environmental, trade and economic data*". In particular, the Commission considers the proposed changes to the EUDR's product scope "*necessary*" to "*avoid downstream derived products of certain relevant commodities*" being placed on the EU market without complying with the EUDR and to "*prevent the relocation of the deforestation risk*".

The Annex to the draft *Delegated Regulation* amends Annex I to the EUDR by deleting ten product codes, including hides and skins (under HS Codes 4101 and 4104) and leather (under HS Code 4107), from the list of relevant products derived from cattle. As explained in Recital 5 of the draft *Delegated Regulation*, these proposed changes reflect "*the differentiation of the leather downstream value chain from the meat value chain, asymmetries in trade flows between meat and hides, and the relatively low economic value of cattle skins and hides compared to meat within the overall cattle production*". According to the Commission, the structural differences between the leather, hides and skins, and meat value chains afford EU businesses "*limited leverage to demand the information necessary*" to comply with the EUDR from their suppliers.

The Annex to the draft *Delegated Regulation* also adds twenty-one products to the list of derived products provided by Annex I to the EUDR, including palm oil derivatives (such as soaps that contain or have been made using palm oil, under HS Codes 3401 11 00 and 3401 20), as well as soluble coffee (extracts, essences and concentrates of coffee under HS Code 2101 11 00). Regarding soluble coffee, the Commission explains that its exclusion had created a "*fragmented and incoherent approach*" for the coffee sector, as, under the current EUDR, non-compliant soluble coffee may be placed on or exported from the EU market, which the Commission considers could result in the "*relocation rather than the elimination*" of the deforestation risk.

WTO compatibility and allegations of discrimination

The EUDR with its selective product coverage and compliance burden continues to face scrutiny by the EU's trading partners and in light of the EU's obligations as a Member of the World Trade Organization (hereinafter, WTO). Critics argue that the EUDR disproportionately affects non-EU producers, particularly in developing countries where the covered commodities are predominantly produced. During the November 2026 meeting of the WTO Council for Trade in Goods, several WTO Members including Argentina, Brazil, Ecuador, Indonesia, Paraguay, the Russian Federation, and Thailand, raised specific trade concerns regarding the EUDR.

For example, Indonesia argued that, although the EU had postponed the application of the EUDR, this did not address its underlying legal concerns, such as "*highly granular geolocation*

requirements", "*multilayered due diligence obligations*", and the EU's "*unilateral*" country benchmarking system, which risked "*resulting in discriminatory treatment against products originating from developing countries*". Indonesia expressed concern that such measures could be inconsistent with the EU's WTO obligations, particularly the Most Favoured Nation and National Treatment principles under Articles I and II, respectively, of the *General Agreement on Tariffs and Trade* (GATT 1994).

From a commercial perspective, the proposed changes are poised to lead to significant commercial implications for the benefiting and affected industries, as the Commission states that the proposed removals would account for EUR 2.5 billion in import value, while the proposed additions represent EUR 9.3 billion of trade.

Looking ahead

The European Commission has opened a public consultation on the draft *Delegated Regulation* until 1 June 2026. Following this process, the Commission may amend and formally adopt the measure, subject to scrutiny by the European Parliament and the Council of the EU. Businesses dealing with the affected products and commodities are encouraged to give their feedback to ensure that their views are taken into consideration as the Commission finalises the draft.

For any additional information or legal advice on this matter, please contact Paolo R. Vergano

Grading your drink: Indonesia launches "*Nutri-Level*" labelling scheme for certain beverages sold in-store for direct consumption

By Alya Mahira, Imelda Jo Anastasya, and Ignacio Carreño García

On 14 April 2026, Indonesia's Ministry of Health issued *Decree No. HK.01.07/MENKES/301/2026* (hereinafter, Decree No. 301/2026), requiring domestic and foreign large-scale enterprises operating in Indonesia that market beverages in retail stores for direct consumption, such as bubble tea, milk tea, and coffee, to display a "*Nutri-Level"* label indicating the content of sugar, salt, and saturated fat. The "*Nutri-Level*" labelling scheme will become compulsory two years after the Government establishes maximum limits for sugar, salt, and fat content under separate legislation, which has yet to be enacted. Once in force, the label must be displayed on beverage menus, retail packaging, and promotional materials, such as leaflets.

This article provides an overview of *Decree No. 301/2026*, offers a comparative analysis with similar "*Nutri-Level*" labelling schemes in other jurisdictions, and discusses its commercial implications.

From sugar rush to health push: The rationale behind Decree No. 301/2026

Noncommunicable diseases, such as diabetes, refer to diseases that "*cannot be transmitted from one person to another and tend to be long-lasting or chronic, resulting from a combination of genetic, environmental, and behavioural risk factors*". A representative from Indonesia's *Health Policy Agency*, operating under Indonesia's Ministry of Health, noted that noncommunicable diseases had contributed to approximately 75% of deaths in Indonesia and are often associated with excessive consumption of sugar, salt, and fat. Under Article 192 of *Government Regulation No. 28 of 2024 on the Implementing Regulation of Law No. 17 of 2023 on Health*, the Ministry of Health is responsible for measures aimed at mitigating the risks of noncommunicable diseases.

Against this backdrop, the Ministry of Health introduced the "*Nutri-Level*" labelling scheme under *Decree No. 301/2026* to "*provide information and education to the public on healthier choices*" regarding the sugar, salt, and saturated fat content of beverages sold in retail stores

for direct consumption. The scheme functions as an additional "*summary*" scheme in which nutritional information relating to certain nutrients is presented in a simplified form. It forms part of broader nutrition labelling, which refers to the information shown on food and drink packaging that explains the energy (in calories or kilojoules) and nutrients, such as fat (often including saturated fat), carbohydrates (including sugars), protein, salt or sodium, and sometimes fibre, vitamins, and minerals, that the product contains, along with their respective amounts. The "*Nutri-Level*" labelling scheme is intended to support more informed decision-making and to encourage healthier consumption choices in line with individual dietary needs.

From A to D: The detailed rules of Decree No. 301/2026

As stipulated in *Decree No. 301/2026*, the "*Nutri-Level*" labelling scheme indicates the levels of sugar, salt, and fat contained in beverages sold in retail stores for direct consumption. The label is based on analytic results obtained from government or otherwise accredited laboratories, with "*A*" representing the lowest level and "*D*" the highest level of sugar, salt, and saturated fat content:

Nutrient	A	B	C	D
Sugar (g)	≤ 1 (no added sweeteners)	> 1–5	> 5–10	> 10
Salt (mg)	≤ 5	> 5–≤ 120	> 120–≤ 500	> 500
Saturated fat (g)	≤ 0.7	> 0.7–1.2	> 1.2–2.8	> 2.8

Decree No. 301/2026 applies only to beverages sold in stores and restaurants and requires the labels to be displayed on various forms of information media, such as menus, retail packaging, brochures, banners, leaflets, and menu listings on commercial electronic applications.

Pending the enactment of separate legislation establishing the maximum limits for sugar, salt, and fat content, the "*Nutri-Level*" labelling scheme remains voluntary. Under this voluntary scheme, any beverage sold in retail stores for direct consumption, which exceeds the maximum limit for Category "*C*", is automatically classified under Category "*D*". The Head of Indonesia's *Food and Drug Authority* (*i.e.*, *Badan Pengawas Obat dan Makanan*, hereinafter, BPOM), *Taruna Ikrar*, indicated that the Government of Indonesia intends to offer incentives to businesses that adopt the scheme ahead of its mandatory application.

Nutritional labelling through an ASEAN lens

In the *Association of Southeast Asian Nations* (hereinafter, ASEAN), full nutrition labelling is not a novel development and, in addition to Indonesia, several ASEAN Member States have also already introduced "*summary*" schemes. On 30 December 2022, Singapore introduced the "*Nutri-Grade*" labelling scheme, which applies to all beverages, including pre-packaged beverages produced by manufacturers. In mid-2027, the scheme will be expanded to cover additional products associated with high levels of sodium and saturated fat, including pre-packaged salt, sauces, seasonings, instant noodles, and cooking oils sold in retail settings. Other nutrition labelling "*summary*" schemes include Thailand's "*Healthier Choice Logo*", which is a voluntary front-of-pack nutritional label for food products with low levels of sugar, fat, and sodium, introduced in 2016.

These differing approaches create varying compliance requirements for food and beverage products traded within ASEAN, increasing regulatory complexity for businesses and highlighting the need for greater regional harmonisation. Although ASEAN has adopted the *ASEAN Guidelines on Nutritional Labelling*, these primarily concern the full nutrition declarations, which display information such as energy, fat, carbohydrates, sugars, protein, and salt on pre-packaged foods placed on the market, rather than the "*summary*" nutritional labelling schemes (see *Trade Perspectives*, Issue No. 18 of 6 October 2025).

A step in the right direction?

Experience across jurisdictions suggests that "*summary*" nutritional labelling may be an effective tool for improving consumer awareness of nutritional content. For example, following the implementation of Singapore's "*Nutri-Grade*" labelling scheme, the average daily sugar intake among residents slightly declined from 60g in 2018 to 56g in 2022. Indonesia's "*Nutri-Level*" labelling scheme might yield outcomes similar to those achieved in other countries and may represent a step towards improving public health.

At the same time, concerns have been raised that Indonesia's scheme, and such summary schemes more generally, may be difficult for consumers to interpret and, therefore, would not facilitate consumer choice.

These measures may also create challenges for businesses, as increasing consumer awareness of health considerations might lead to reduced demand for certain products. While businesses may respond by reformulating products to meet healthier standards, doing so would likely entail additional compliance and production costs. In this regard, industry stakeholders in Indonesia have called for the timeline for the mandatory implementation of the scheme to be extended to five years, rather than two, following the Government's establishment of maximum limits for sugar, salt, and fat content, to allow sufficient time for businesses to prepare. A BPOM representative stated that the implementation deadline may "*be subject to compromise*" and that "*no decision has been reached yet*", indicating that the timeline may still change.

Regardless of the final deadline, the eventual transition from a voluntary to a mandatory scheme will require businesses to adapt their production, packaging, and marketing practices in order to ensure compliance and avoid potential sanctions. If effectively implemented, Indonesia might subsequently extend the scheme to micro, small, and medium enterprises and also to other products, such as pre-packaged beverages and food products.

For any additional information or legal advice on this matter, please contact Paolo R. Vergano

The European Commission sets maximum limits of mineral oil aromatic hydrocarbons (MOAH) in food, following updated risk assessment

By Ignacio Carreño García, Paolo R. Vergano, and Tobias Dolle

On 13 May 2026, the EU's *Standing Committee on Plants, Animals, Food and Feed* (PAFF Committee) – *Section Novel Food and Toxicological Safety of the Food Chain* was scheduled to vote on a draft European Commission (hereinafter, Commission) Regulation setting maximum levels of mineral oil aromatic hydrocarbons (MOAH) in certain foods. On 11 March 2026, the Commission had notified the *World Trade Organization*'s *Committee on Sanitary and Phytosanitary Measures* (SPS) that it intends to set adopt a Regulation amending *Commission Regulation (EU) 2023/915 of 25 April 2023 on maximum levels for certain contaminants in food* as regards maximum levels of MOAH in certain foods that are to apply from 1 January 2027.

This article provides an overview on the draft Regulation, the underlying opinions by the *European Food Safety Authority* (hereinafter, EFSA), an assessment of the maximum levels of MOAH in various foods, as well as a review of the commercial implications.

The EFSA's first opinion on MOH and the monitoring of levels of MOH in foods

Mineral oil hydrocarbons (hereinafter, MOH) are chemical compounds containing 10 to about 50 carbon atoms, which are derived mainly from crude oil, but also produced synthetically from coal, natural gas and biomass. MOH can contaminate food in many ways, such as lubricants for machinery used during harvesting and food production, processing aids like release agents or dust binders, food or feed additives, food contact materials or environmental contamination.

MOH are divided into two main types: mineral oil saturated hydrocarbons (hereinafter, MOSH) and mineral oil aromatic hydrocarbons (hereinafter, MOAH).

In 2012, the EFSA adopted a Scientific Opinion on MOH in food, which concluded that the potential human health impact of groups of substances among the MOH varies widely. In order to better understand the relative presence of MOSH and MOAH in food commodities that are major contributors to dietary exposure, by means of *Commission Recommendation (EU) 2017/84*, EU Member States, with the active involvement of food business operators, as well as manufacturers, processors and distributors of food contact materials and other interested parties, were recommended to monitor the presence of MOH in food and food contact materials. It was also recommended that, where MOH are detected in food, investigations should be carried out in order to determine the sources of the contamination and measures should be implemented to prevent the occurrence.

Prior to the establishment of maximum levels of MOAH, on 21 April 2022, EU Member States had issued a *Joint Statement regarding the presence of MOAH in food*, directing the relevant competent authorities and food business operators to conduct sampling and to investigate the sources of MOAH in foodstuffs. EU Member States also agreed upon a tiered scheme whereby, if the quantified presence of MOAH were to exceed a certain level in food products, the products should be withdrawn and, if necessary, recalled from the market (see *Trade Perspectives*, Issue No. 18 of 9 October 2023).

The EFSA's updated risk assessment on MOH and maximum levels for MOAH

Taking into account the new occurrence data collected following *Recommendation (EU) 2017/84* and new scientific information, the EFSA adopted an updated risk assessment of mineral oil hydrocarbons in food on 12 July 2023, concluding that MOSH may accumulate in various organs, but that the present dietary exposure to MOSH does not raise a concern for human health for all age classes, while the exposure to total MOAH is a possible risk for human health.

The draft *Regulation amending Regulation (EU) 2023/915 as regards maximum levels of mineral oil aromatic hydrocarbons* foresees to add a subsection on '*Mineral Oil Aromatic Hydrocarbons*' in Section 5 on '*Processing contaminants*' to the Annex to *Regulation (EC) No 2023/915*. Maximum levels of MOAH are to apply from 1 January 2027, *inter alia*, in maize, rapeseed, sunflower, and soybean oil and dairy butter and fat (2,0 mg/kg); in sesame, coconut and cereal germ oil (6,0 mg/kg from 1 January 2027, 4,0 mg/kg from 1 January 2028, 2,0 mg/kg from 1 January 2030); in tree nuts (2,0 mg/kg); in pulses 0,50 (mg/kg); in milk 0,50 (mg/kg); in cocoa beans (2,0 mg/kg from 1 January 2030), and in cocoa mass (2,0 mg/kg).

The maximum levels were established based on the EFSA's updated risk assessment. On the basis of the occurrence data and the investigations into the sources of the contamination of food with MOAH, the Commission determined that, in most foods, the occurrence of quantifiable concentrations of MOAH could be prevented. Therefore, in accordance with the '*As Low As Reasonably Achievable*' (ALARA) principle, established in Article 2 of *Council Regulation (EEC) No 315/93 of 8 February 1993 laying down Community procedures for contaminants in food*, the Commission sets maximum levels, where possible, at the limit of quantification.

However, for foods for which it has been demonstrated that concentrations below the limit of quantification cannot be achieved, even when applying good practices, maximum levels above the limit of quantification are established. For those foods, in order to ensure that food business operators make continued efforts to identify and implement mitigation measures to reduce the contamination, timelines are set for further lowering the maximum levels.

Concerns with respect to the maximum levels of MOAH in coconut oil

Filipino exporters already voiced concerns that new maximum levels could impact crude coconut oil exports to the EU. For coconut oil, a maximum level for MOAH of 6,0 mg/kg is to apply from 1 January 2027, which would then be tightened to 4,0 mg/kg from 1 January 2028, and to 2,0 mg/kg from 1 January 2030. On 8 April 2026, the *United Coconut Association of the Philippines* (UCAP) stated that "*the most affected product will be crude coconut oil (CNO), which comes from copra, where MOAH contamination results largely from the smoke-drying process and delivery activities to the oil mill*", adding that "*only a few crude coconut oil exporters were compliant with MOAH limits to the EU, with others struggling to comply due to the laboratory equipment being costly and difficult to operate*". It must be noted that the maximum level for MOAH in coconut oil is only gradually tightened in 2028 and 2030, allowing exporters of coconut oil some time to ensure compliance.

Legal certainty for operators and grace period

Food business operators will have until 1 January 2027 to adapt to the maximum levels set out in the Regulation. On 13 May 2026, the relevant PAFF Committee was also scheduled to vote on a draft *Commission Implementing Regulation amending Regulation (EC) No 333/2007 as regards the methods of sampling and analysis for the control of levels of mineral oil hydrocarbons in foodstuffs*, which is intended to ensure that uniform sampling methods be used to ensure the reliability and consistency of official controls on MOHs in food.

Taking into account that certain foodstuffs covered by the Regulation have a long shelf life or may be processed into products with such a long shelf life, foodstuffs that were lawfully placed on the market before the date of application of the maximum level will be allowed to remain on the market until their date of minimum durability of use-by date. The setting of maximum levels of MOAH provides legal certainty to food business operators, but they will need to strengthen MOAH monitoring and mitigation across the entire supply chain, including processing and food contact materials, to comply with the new limits.

Outlook

In the notification of 11 March 2026 to the WTO SPS Committee, the European Commission stated that the proposed date of adoption and publication of the Regulation is estimated for September 2026. The comment period for WTO Members on the proposal ended on 10 May 2026. Relevant food industries should contribute, to the extent possible, to reducing the transfer and occurrence of undesired mineral oil hydrocarbons in food. The food industry should carefully monitor the related developments, partake in the scientific debate, and contribute to the EU's legislative and regulatory debate.

For any additional information or legal advice on this matter, please contact Ignacio Carreño Garcia

Recently adopted EU legislation

Trade Law

- *Council Decision (EU) 2026/1087 of 11 May 2026 repealing Decision 2011/523/EU partially suspending the application of the Cooperation Agreement between the European Economic Community and the Syrian Arab Republic*

Trade Remedies

- *Commission Implementing Regulation (EU) 2026/913 of 4 May 2026 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of adipic acid originating in the People's Republic of China*

- *Commission Implementing Regulation (EU) 2026/1045 of 12 May 2026 imposing a provisional anti-dumping duty on imports of certain alkyl phosphonic acids and their sodium salts originating in the People's Republic of China*

Food Law

- *Commission Implementing Regulation (EU) 2026/1088 of 12 May 2026 amending Annexes V and XIV to Implementing Regulation (EU) 2021/404 as regards the entries for Canada and the United States in the lists of third countries, territories, or zones thereof authorised for the entry into the Union of consignments of poultry and germinal products of poultry, and of fresh meat of poultry and game birds*

Other

- *Commission Delegated Decision (EU) 2026/429 of 25 February 2026 on supplementing Regulation (EU) 2025/40 of the European Parliament and of the Council by exempting certain economic operators that use pallet wrappings and straps from the 100 % reuse requirements of these packaging formats*

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