

## Articles

### Final CA 1

(CA replacing all relevant amendments, including AM 291 EPP, AM 10 EMPL, AM 11 EMPL, AM 20 Rapp, AM 309 Greens, AM 21 Rapp, AM 320 Left, AM 321 Greens, AM 322 S&D, 33 DEVE, 33 DROI, AM 22 Rapp, AM 327 Left, AM 326 Greens, AM 329 S&D, AM 331, 34 DEVE, 34 DROI, EPP 355, Renew 347, AM 23 Rapp, AM 339 Greens, AM 340 Left, AM 341 S&D, 36 DEVE, 35 DROI, AM 24 Rapp, AM 345 Greens, AM 346 Renew, AM 359 EPP, AM 352 EPP)

## **Chapter I General provisions**

### *Article 1*

#### **Subject matter and scope**

1. This Regulation lays down rules prohibiting economic operators from placing and making available on the Union market or exporting from the Union market products made with forced labour, **and contributes to the fight against forced labour.**
2. This Regulation shall not cover the withdrawal of products which have reached the end-users in the Union market.

### *Article 2*

#### **Definitions**

For the purposes of this Regulation, the following definitions apply:

- (a) 'forced labour' means ~~forced or compulsory labour~~ **all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself or herself voluntarily in accordance with as defined in Article 2 of the Convention on Forced Labour, 1930 (No. 29) of the International Labour Organization, including forced child labour; *whereby forced labour can occur along the value chain; (EMPL exclusive)***
- (b) 'forced labour imposed by state authorities' means the use of forced labour:
  - (i) as a means of political coercion or education or as a punishment for holding or expressing political views or opinions ideologically opposed to the established political, social or economic system;**
  - (ii) as a method of mobilising and using labour for purposes of economic development;**
  - (iii) as a means of labour discipline;**
  - (iv) as a punishment for having participated in strikes;**
  - v) as a means of racial, social, national or religious discrimination;**~~as described in~~ **in accordance with Article 1 of the Convention on the Abolition of Forced Labour, 1957 (No. 105) of the International Labour Organization; (EMPL exclusive)**

- (ba) ***‘remediation’ means both the process of providing remedy to victims of forced labour for a negative human rights impact and the substantive outcomes that can counteract, or make good, the negative impact of forced labour, such as public apologies, restitution, rehabilitation, compensation, contribution to investigations, and compliance with measures adopted by relevant public authorities, as well as prevention of additional harm;***
- (c) ‘due diligence in relation to forced labour’ means the efforts by economic operator to implement mandatory requirements, voluntary guidelines, recommendations or practices to identify, prevent, mitigate or bring to an end the use of forced labour with respect to products that are to be made available on the Union market or to be exported;
- (d) ‘making available on the market’ means any supply of a product for distribution, consumption or use on the Union market in the course of a commercial activity, whether in return for payment or free of charge and in the case where the product is offered for sale online or through other means of distance sales, the making available on the market is deemed to take place when the offer for sale is targeted at users in the Union;
- (e) ‘placing on the market’ means the first making available of a product on the Union market;
- (f) ‘product’ means any product that can be valued in money and is capable, as such, of forming the subject of commercial transactions, whether it is extracted, harvested, produced or manufactured, , including working or processing related to a product at any stage of its supply chain;
- (g) ‘product made with forced labour’ means a product for which forced labour has been used in whole or in part at any stage of its extraction, harvest, production, or manufacture, including working or processing related to a product at any stage of its supply chain;
- (ga) ***‘supply chain’ means the activities of the company’s upstream business partners related to the extraction, harvest, production or manufacturing of the product, including working or processing related to the product at any stage of those activities;***
- (h) ‘economic operator’ means any natural or legal person or association of persons who is placing or making available products on the Union market or exporting products;
- (i) ‘manufacturer’ means the manufacturer of the product pursuant to the Union legislation applicable to that product;
- (j) ‘producer’ means the producer of agricultural products as referred to in Article 38(1) TFEU or of raw materials;
- (k) ‘product supplier’ means any natural or legal person or association of persons in the supply chain who extracts, harvests, produces or manufactures a product in whole or in part, or intervenes in the working or processing related to a product at any stage of its supply chain, whether as manufacturer or in any other circumstances;
- (l) ‘importer’ means any natural or legal person or association of persons established within the Union who places a product from a third country on the Union market;
- (m) ‘exporter’ means the exporter as defined in Article 1, point (19) of Commission Delegated Regulation (EU) 2015/2446<sup>1</sup>;

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<sup>1</sup> Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code, OJ L 343, 29.12.2015, p. 1.

- (ma) ***‘end user’ means any natural or legal person residing or established in the Union, to whom a product has been made available either as a consumer outside of any trade, business, craft or profession or as a professional end user in the course of its industrial or professional activities;***
- (n) ‘substantiated concern’ means a well-founded reason, based on objective, ***factual*** and verifiable information, for the competent authorities to suspect that products were likely made with forced labour;
- (o) ‘customs authorities’ means customs authorities as defined in Article 5, point (1), of Regulation (EU) No 952/2013;
- (p) ‘products entering the Union market’ means products from third countries intended to be placed on the Union market or intended for private use or consumption within the customs territory of the Union and placed under the customs procedure ‘release for free circulation’;
- (q) ‘products leaving the Union market’ means products placed under the customs procedure ‘export’;
- (r) ‘release for free circulation’ means the procedure laid down in Article 201 of Regulation (EU) No 952/2013;
- (s) ‘export’ means the procedure laid down in Article 269 of Regulation (EU) No 952/2013;
- (t) ‘EU Customs Single Window Certificates Exchange System’ or (EU CSW-CERTEX) means the system established by Article 4 of the [Regulation (EU) XX/20XX establishing the European Union Single Window Environment for Customs and amending Regulation (EU) No 952/2013 COM/2020/673 final];
- (u) “National single window environments for customs” means the national single window environments for customs as defined in point 9 of Article 2 of [Regulation (EU) XX/20XX of the European Parliament and of the Council<sup>2</sup>].

### *Article 3*

#### **Prohibition of products made with forced labour**

Economic operators shall not place or make available on the Union market products that are made with forced labour, nor shall they export such products.

## **Final CA 2**

(CA replacing all relevant amendments, including AM 373 EPP, AM 26 Rapp, AM 27 Rapp, AM 382 Renew, AM 581 EPP, AM 28 Rapp, AM 388 The Left, AM 390, AM 13 EMPL, AM 29 Rapp, AM 30 Rapp, AM 398 ECR, AM 399 EPP, AM 400 Left, AM 402, AM 403, AM 404 Renew, AM 405, AM 31 Rapp, AM 409 Left, AM 32 Rapp, 407 Left, 413 S&D, AM 33 Rapp, AM 414 Greens, 415 Left, 416 S&D, AM 34 Rapp, AM 421 NI, AM 426 Left, AM 427 S&D, AM 35 Rapp, AM 434 S&D, AM 436 ECR, AM 36 Rapp, AM 448 S&D, AM 450 Greens, AM 37 Rapp, AM 38 Rapp, AM 456 Greens, AM 457 Renew, AM 461 and 462 EPP, AM 39 Rapp, AM 40 Rapp, AM 478 Greens, AM 41 Rapp, AM 487 Greens, AM 490 S&D, AM 497 ECR, AM 42 Rapp, AM 494 S&D, AM 43 Rapp, AM 498 cross political groups, AM 499 The Left, AM 500 Greens, AM 501 Renew, AM 505 EPP, AMs 44-47 Rapp, AM 511 EPP, AM 513 Renew, AM 514, 517, 519, 520 S&D, AM 516 Greens, AM 518, AMs 48-51 Rapp, AM 532, 537, 538, 539 S&D, AM 533 Renew, AM 534 EPP, AM 535 Greens, AM 536,

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<sup>2</sup> Regulation (EU) XX/20XX of the European Parliament and of the Council of ..... ,OJ, .....

AM 52 Rapp, AM 541 Greens, AM 542 EPP, AM 543 Left, AM 544, AM 546 S&D, AM 553 EPP, AM 557 EPP, AM 53 Rapp, AM 561 Renew, AM 563 Left, AM 564 Greens, AM 565 S&D, AM 522, 540, 560 Renew, AM 573 Greens, AM 54 Rapp, AM 577 Renew, AM 55 Rapp, AM 593 Renew, AM 56 Rapp)

## **Chapter II**

### **Investigations and decisions of competent authorities *and the Commission***

#### *Article 4*

#### **Preliminary phase of investigations**

1. ***The Commission and*** competent authorities shall follow a risk-based approach in assessing the likelihood that economic operators violated Article 3. That assessment shall be based on all relevant ***factual and verifiable*** information available to them, including the following information:
  - (a) submissions made by natural or legal persons or any association not having legal personality pursuant to Article 10;
  - (b) the risk indicators and other information pursuant to Article 23, ***point (b) and*** ~~(e)~~;
  - (c) the database referred to in Article 11;
  - (d) information and decisions encoded in the information and communication system referred to in Article 22(1), including any past cases of compliance or non-compliance of an economic operator with Article 3;
  - (e) information requested by the ***Commission or the*** competent authority from other relevant authorities, where necessary, on whether the economic operators under assessment are subject to and carry out due diligence in relation to forced labour in accordance with applicable Union legislation or Member States legislation setting out due diligence and transparency requirements with respect to forced labour;***(ea) any issues arising from meaningful consultation with relevant stakeholders.***
  
2. In their assessment of the likelihood that economic operators violated Article 3, ***the Commission and*** competent authorities shall focus on the economic operators ***and relevant product suppliers*** involved in the steps of the ***supply*** chain as close as possible to where the risk of forced labour is likely to occur and take into account the size and economic resources of the economic operators, ***the share of forced labour component in the final product***, the quantity of products concerned, as well as the scale of suspected forced labour ***and whether state-imposed forced labour could be a concern.***
- 2a. ***The right to be heard of the economic operator shall be respected at any stage of the process.***
3. Before initiating an investigation in accordance with Article 5(1), the ***Commission or the*** competent authority shall request from the economic operators under assessment ***and relevant product suppliers*** information on actions taken to identify, prevent, mitigate or bring to an end risks of forced labour ***and remediate forced labour cases***

in their operations and **supply** chains with respect to the products under assessment, including on the basis of any of the following:

- (a) applicable Union legislation or Member States legislation setting out due diligence and transparency requirements with respect to forced labour;
- (b) the guidelines issued by the Commission pursuant to Article 23, point (a);
- (c) due diligence guidelines or recommendations of the UN, ILO, OECD or other relevant international organisations, **as well as of social partners, in particular those guidelines and recommendations that relate to geographic areas, production sites and economic activities in certain sectors in specific areas with systematic and widespread forced labour practices;**
- (d) any other due diligence in relation to forced labour.

*The Commission and competent authorities may request information on those actions from other relevant stakeholders, including the persons or associations having submitted relevant information pursuant to Article 10 and any other stakeholder working on the products or regions related to the assessment, as well as from diplomatic representations of the Union in relevant third countries.*

- 3a. *Notwithstanding paragraph 2a, the Commission and competent authorities may refrain from requesting information from the economic operator and relevant product suppliers if they have a well-founded reason to believe, based on objective information, that it represents a risk to the investigation.*
4. Economic operators **and relevant product suppliers** shall respond to the request of the **Commission or** competent authority referred to in paragraph 3 within **30** working days from the day they received such request. Economic operators may provide to **the Commission or** competent authorities any other information they may deem useful for the purposes of this Article.
5. Within 30 working days from the date of receipt of the information submitted by economic operators **and relevant product suppliers** pursuant to paragraph 4, the **Commission or the** competent authorities shall conclude the preliminary phase of their investigation as to whether there is a substantiated concern of violation of Article 3 on the basis of the assessment referred to in paragraph 1 and the information submitted by economic operators **and relevant product suppliers** pursuant to paragraph 4.
- 5a. *Notwithstanding paragraph 5, the Commission or competent authorities may conclude that there is substantiated concern on the basis of any other facts available where it was not possible to gather information and evidence pursuant to paragraph 4, or where the competent authorities or the Commission have refrained from requesting information in accordance with paragraph 3a.*
- ~~6. The competent authority shall duly take into account where the economic operator demonstrates that it carries out due diligence on the basis of identified forced labour impact in its supply chain, adopts and carries out measures suitable and effective for bringing to an end forced labour in a short period of time.~~
7. **The Commission or** competent authorities shall not initiate an investigation pursuant to Article 5, and shall inform the economic operators under assessment accordingly, where, on the basis of the assessment referred to in paragraph 1 and the information submitted by economic operators pursuant to paragraph 4, the **Commission or the** competent authorities consider that there is no substantiated concern of a violation of Article 3, **or that the reasons that motivated the existence of a substantiated concern have been eliminated**, for instance due to, but not limited to, the applicable legislation, guidelines, recommendations or any other due diligence in relation to forced labour

referred to in paragraph 3 being applied in a way that mitigates, prevents and brings to an end the risk of forced labour.

## *Article 5* **Investigations**

1. ***The Commission or*** competent authorities that, pursuant to Article 4(5) ***or to the information contained in the delegated act referred to in Article 11a***, determine that there is a substantiated concern of a violation of Article 3, shall decide to initiate an investigation on the products and economic operators concerned.
2. ***The Commission or*** competent authorities that initiate an investigation pursuant to paragraph 1 shall inform the economic operators subject to the investigation, within **2** working days from the date of the decision to initiate such investigation about the following:
  - (a) the initiation of the investigation and the possible consequences thereof;
  - (b) the products subject to the investigation;
  - (c) the reasons for the initiation of the investigation, unless it would jeopardise the outcome of the investigation;
  - (d) the possibility for the economic operators to submit any other document or information to the competent authority ***or the Commission***, and the date by which such information has to be submitted;***(da) the requirement for the economic operator to demonstrate that Article 3 has not been violated with regard to the products coming from the geographic areas and the economic sectors listed in the delegated act adopted pursuant to Article 11a.***
3. Where requested to do so by ***the Commission or*** competent authorities, economic operators under investigation ***and relevant product suppliers*** shall submit to ***the Commission or*** those competent authorities any information that is relevant and necessary for the investigation, including information identifying the products under investigation, the manufacturer or producer of those products and the product suppliers. In requesting such information, ***the Commission or*** competent authorities shall to the extent possible:
  - (a) ***after identifying the individual responsibilities, along the supply chain, of different product suppliers down to the level where forced labour is taking place***, prioritise the economic operators under investigation ***and relevant product suppliers*** involved in the steps of the ***supply*** chain as close as possible to where the ~~likely risk of~~ forced labour ***likely*** occurs and ***with the highest leverage to prevent, mitigate, bring to an end and remediate the use of forced labour, and***
  - (b) take into account the size and economic resources of the economic operators, ***in particular whether the operator is an SME***, the quantity of products concerned, ***the complexity of the supply chain***, as well as the scale of suspected forced labour.
4. Economic operators ***and relevant product suppliers*** shall submit the information within **30** working days from the request referred to in paragraph 3 or make a justified request for an extension of that time limit.
5. When deciding on the time limits referred to in this Article, ***the Commission and*** competent authorities shall consider the size and economic resources of the economic operators concerned, ***including whether the economic operator is an SME.***

6. *The Commission and* competent authorities may carry out all necessary checks and inspections including investigations in third countries, provided that the economic operators concerned give their consent and that the government of the Member State or third country in which the inspections are to take place has been officially notified and raises no objection.
- 6a. *The Commission and competent authorities may ask diplomatic representations of the Union in relevant third countries to provide information and support.*
- 6b. *The Commission and competent authorities may request relevant information from other stakeholders.*

#### *Article 6*

#### **Decisions of competent authorities and the Commission**

1. *The Commission or* competent authorities shall assess all information and evidence gathered pursuant to Articles 4 and 5 and, on that basis, establish whether Article 3 has been violated, within **90 working days** ~~a reasonable period of time~~ from the date they initiated the investigation pursuant to Article 5(1), ***unless a duly justified request for the extension of the deadline in Article 5(4) was accepted.***
2. Notwithstanding paragraph 1, *the Commission or* competent authorities may establish that Article 3 has been violated on the basis of any other facts available where it was not possible to gather information and evidence pursuant to **Article 4(3) and** Article 5(3) or (6).
  - 2a. ***Notwithstanding paragraph 1, economic operators shall demonstrate that Article 3 has not been violated in cases concerning the products coming from the geographic area and the economic sector listed in the delegated act adopted pursuant to Article 11a.***
3. Where *the Commission or* competent authorities cannot establish that Article 3 has been violated, they shall take a decision to close the investigation and inform the economic operator thereof. ***The decision to close the investigation shall be without prejudice to the adoption of a new decision to open an investigation under Article 5(1), were the Commission or the competent authority to receive new information pursuant to Article 4. Such closed investigations shall not appear in the database.***
4. Where *the Commission or* competent authorities establish that Article 3 has been violated, they shall without delay adopt a decision containing:
  - (a) a prohibition to place or make the products ***or product components*** concerned available on the Union market and to export them;
  - (b) an order for the economic operators that have been subject to the investigation to withdraw from the Union market the relevant products ***or product components*** that have already been placed or made available on the market;
  - (c) an order for the economic operators that have been subject to the investigation to
    - i) ***if the product is perishable, donate the products concerned to charitable organisations or organisations that benefit public interest;***
    - ii) ***if the product is not perishable, recycle the products concerned;***
    - iii) ***where points (i) and (ii) are not possible, dispose of the respective products in accordance with national law consistent with Union law.***
5. Where an economic operator has failed to comply with the decision referred to in paragraph 4, *the Commission or* the competent authorities shall ensure all of the following:

- (a) that it is prohibited to place or make available the products concerned on the market;
  - (b) that the products already placed or made available on the market are withdrawn from the Union market;
  - (c) that any product remaining with the economic operator concerned is
    - i) **if the product is perishable, donated to charitable organisations or organisations that benefit public interest;**
    - ii) **if the product is not perishable, recycled;**
    - iii) **where points (i) and (ii) are not possible,** disposed of in accordance with national law consistent with Union law at the expense of the economic operator.
6. Where **the Commission or competent authorities establish that** economic operators **have demonstrated** that they have complied with the decision referred to in paragraph 4, and that they have eliminated forced labour from their operations or supply chain with respect to the products concerned **and that relevant forced labour cases have been remediated, the Commission or** the competent authorities shall withdraw their decision for the future and inform the economic operators.

#### *Article 7*

##### **Content of the decision**

1. The decision referred to in Article 6(4) shall contain all of the following:
  - (a) the findings of the investigation and the information **and evidence** underpinning the findings;
  - (b) a reasonable time limit for the economic operators to comply with the order, which shall not be less than 30 working days and no longer than necessary to withdraw the respective products. When setting such a time limit, **the Commission or** the competent authority shall take into account the economic operator's size and economic resources, **including whether the operator is an SME;**
  - (c) all relevant information and in particular the details allowing the identification of the product, to which the decision applies, including details about the manufacturer, producer, **production site**, and the product suppliers;
  - (d) where available and applicable, information required under customs legislation as defined in Article 5(2) of Regulation (EU) No 952/2013.
2. The Commission shall adopt implementing acts further specifying the details of the information to be included in the decisions. Those details shall as a minimum include details of information to be made available to customs authorities in accordance with Article 16(3). Those implementing acts shall be adopted in accordance with the examination procedure pursuant to Article 29.

#### *Article 8*

##### **Review of decisions**

1. Competent authorities **and the Commission** shall provide economic operators affected by a decision adopted pursuant to Article 6(4) the possibility of requesting a review of that decision within 15 working days from the date of receipt of that decision, **and inform them of such possibility.** In case of perishable goods, **including foodstuffs, animals and plants,** that time limit shall be 5 working days. The request for review shall contain information which demonstrates that the products are placed or made available on the market or to be exported in compliance with Article 3.



2. A request for a review of a decision adopted pursuant Article 6(4) shall contain **substantial** new information that was not brought to the attention of the competent authority during the investigation. The request for a review shall delay the enforcement of the decision adopted pursuant to Article 6(4) until the competent authority **or the Commission** decides on the request for the review.
3. A competent authority **or the Commission** shall take a decision on the request for review within 15 working days from the date of receipt of the request. In case of perishable goods, animals and plants that time limit shall be 5 working days.
4. Where a competent authority **or the Commission** considers that after taking into account the new information provided by the economic operator in accordance with paragraph 1 it cannot establish that the products have been placed or made available on the market or are being exported in violation of Article 3, it shall withdraw its decision adopted pursuant to Article 6(4) **and remove the decision from the database referred to in Article 11**.
5. Economic operators that have been affected by a decision of a competent authority pursuant to this Regulation shall have access to a court to review the procedural and substantive legality of the decision.
6. Paragraph 5 shall be without prejudice to any provision of national law which requires that administrative review procedures be exhausted prior to recourse to judicial proceedings.
7. Decisions adopted by competent authorities pursuant to Article 6 and to this Article are without prejudice to any decisions of a judicial nature taken by national courts or tribunals of the Member States with respect to the same economic operators or products.

#### *Article 9*

#### **Information obligations of the competent authorities**

1. **The Commission and** the competent authority shall without delay inform the ~~Commission and the~~ **other** competent authorities ~~of other Member States~~ using the information and communication system referred to in Article 22(1) about the following:
  - (-aa) **any decision to open a preliminary investigation referred to in Article 4 based on one or several submissions of information through the mechanism referred to in Article 10;**
  - (-a) **the existence of substantiated concern following a preliminary phase of investigation, referred to in Article 4(5);**
    - (a) any decision not to initiate an investigation following a preliminary phase of investigation, referred to in Article 4(7);
    - (b) any decision to initiate an investigation referred to in Article 5(1);
    - (c) any decision to prohibit placing and making available of the products on the market and their export, as well as to order the withdrawal of the products already placed or made available on the market and their **donation, recycling or disposal** referred to in Article 6(4);
    - (d) any decision to close the investigation referred to in Article 6(3);
    - (e) any withdrawal of the decision referred to in Article 6(6);
    - (f) any request of an economic operator for a review referred to in Article 8(1);
    - (g) any result of the review referred to in Article 8(4).
2. The Commission shall make available the decisions, and the withdrawals referred to in the paragraph 1, points (c), (d), (e) and (g) on a dedicated website.

- 2a. *Any decision referred to in Article 6(4) and 6(6) shall be communicated to the public by the competent authority who adopted it or, as the case may be, by the Commission.*

### **Final CA 3**

(CA replacing all relevant amendments, including AM 57 Rapp, AM 602 S&D, AM 58 Rapp, AM 601 Greens, AM 605 The Left, AM 608 S&D, AM 609 Renew, AM 61 DROI, AM 59 Rapp, AM EPP 613, AM 60 Rapp, AM 622 Greens, AM 63 Rapp, AM 627 EPP, AM 67 DROI, AM 17 EMPL, AM 64 Rapp, AM 624 Renew, AM 744 Renew, AM 65 Rapp, AM 622 Greens, AM 629 ECR, AM 631 S&D, AM 67 Rapp, AM 596 The Left, 632 The Left, AM 597 Greens, AM 634 S&D, AM 68 Rapp, AM 69 Rapp, AM 637 Greens, AM 638, AM 639 S&D, AM 69 DROI, AM 54 DEVE, AM 642 EPP, AM 70 Rapp, AM 658 Greens, AM 56 DEVE, AM 72 Rapp, AM 73 Rapp, AM 666 S&D, AM 669 Renew)

#### *Article 10*

### **Submission of information regarding violations of Article 3**

1. Submissions of information by any natural or legal person or any association not having legal personality, to ***the Commission or a competent authority*** on alleged violations of Article 3 shall contain information on the economic operators or products concerned and provide the reasons substantiating the allegation. ***Submissions may be addressed to more than one competent authority.***
  - 1a. ***The Commission shall set up a dedicated centralised mechanism for the submission of information pursuant to paragraph 1. This mechanism shall be available in all official languages of the institutions of the Union, and it shall be user friendly and free of charge.***
  - 1b. ***In order to ensure uniform conditions for the submission of information, the Commission shall adopt implementing acts establishing templates for the submission of information. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29.***
2. The ***Commission or the competent authority*** shall ***diligently and impartially assess the information and***, as soon as possible, inform the person or association referred to in paragraph 1 of the outcome of the assessment of their submission.
  - 2a. ***In cases where there is a significant time interval between the submission of information and the outcome of the assessment, the Commission or competent authorities shall confirm with such person or association that the situation has to the best of their knowledge not significantly changed.***
3. Directive (EU) 2019/1937 of the European Parliament and of the Council<sup>3</sup> shall apply to the reporting of all breaches of this Regulation and the protection of persons reporting such breaches.

#### *Article 11*

### **Database of forced labour risk areas or products**

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<sup>3</sup> Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law, OJ L 305, 26.11.2019, p. 17.

1. The Commission shall call upon external expertise to provide an indicative, non-exhaustive, ***evidence-based*** and regularly updated database of forced labour risks in specific geographic areas, ***sectors***, or with respect to specific products including with regard to forced labour imposed by state authorities. ~~The database shall be based on the guidelines referred to in Article 23, points (a), (b) and (c), and relevant external sources of information from, amongst others, international organisations and third country authorities.~~
  - 1a. ***The database shall be based on independent and verifiable information, including reports from international organisations, in particular the International Labour Organization, civil society, business organisations, social partners, and relevant experience from implementing Union legislation setting out due diligence requirements with respect to forced labour.***
  - 1b. ***Based on reliable and verifiable evidence, the database shall in particular identify specific economic sectors in specific geographic areas, where there is high risk of forced labour imposed by state authorities.***
  - 1d. ***The database shall include a list of all decisions of the Commission and competent authorities pursuant to Article 6(4) and Article 6(6).***
  - 1e. ***The database shall include a list of publicly available information sources of relevance for the implementation of this Regulation, including sources which make available disaggregated data on the impact and victims of forced labour, such as gender-disaggregated data or data about forced child labour, allowing to identify age- and gender-specific trends.***
2. The Commission shall ensure that the database is ***easily accessible, including for persons with disabilities, and made*** publicly available, ***in all official languages of the institutions of the Union,*** by the external expertise at the latest 12 months ***before the date of application*** of this Regulation.
3. ~~Economic operators placing or making available on the Union market or exporting products which are not mentioned in the database referred to in paragraph 1 of this Article, or which come from areas that are not mentioned in that database, shall also be required to comply with Article 3.~~

#### *Article 11a*

#### **Forced labour imposed by state authorities**

***Based on the information included in the database referred to in Article 11(1b), or in the information and decisions encoded in the information and communication system referred to in Article 22(1), the Commission is empowered to adopt delegated acts in accordance with Article 27 to supplement this Regulation by determining specific economic sectors in specific geographic areas, where high risk of forced labour imposed by state authorities has been identified.***

#### *Article 12*

#### **Competent authorities**

1. Member States shall designate one or more competent authorities responsible for carrying out the obligations set out in this Regulation. Designated Member State competent authorities shall be responsible for ensuring the effective and uniform implementation of this Regulation throughout the Union.

2. Where Member States have designated more than one competent authority, they shall clearly demarcate the respective duties and establish communication and coordination mechanisms that enable those authorities to collaborate closely and exercise their duties effectively.
3. No later than three months after the date of entry into force of this Regulation, Member States shall, through the information and communication system referred to in Article 22(1), provide the Commission and the other Member States with the following information:
  - (a) the names, addresses and contact details of the designated competent authority or authorities;
  - (b) the areas of competence of the designated competent authority or authorities.Member States shall regularly update the information set out in points (a) and (b) of the first sub-paragraph of this paragraph.
4. The Commission shall make the list of the designated competent authorities publicly available on its website and shall regularly update that list, based on the updates received from Member States.
5. Member States shall ensure that the designated competent authorities exercise their powers impartially, transparently and with due respect for obligations of professional secrecy. Member States shall ensure that their competent authorities have the necessary powers, *expertise* and resources to carry out the investigations, including sufficient budgetary and other resources and coordinate closely with the national labour inspections and judicial and law enforcement authorities, including those responsible for the fight against trafficking in human beings.
6. Member States shall confer on their competent authorities the power to impose penalties in accordance with Article 30.

### *Article 13*

#### **Administrative cooperation and communication among competent authorities**

1. The Commission shall ensure efficient cooperation *and coordination* among the competent authorities of the Member States through facilitating and coordinating the exchange and collection of information and best practices with regard to the application of this Regulation.
2. Competent authorities shall actively participate in the Network referred to in Article 24.

### *Article 14*

#### **Recognition of decisions**

1. Decisions taken by a competent authority in one Member State shall be recognised and enforced by competent authorities in the other Member States in so far as they relate to products with the same identification and from the same supply chain for which forced labour has been found. *Decisions taken by the Commission shall be enforced by competent authorities in all Member States.*
2. A competent authority that has received, through the information and communication system referred to in Article 22(1), a request from a competent authority of another Member State for information to verify any evidence provided by an economic operator, shall provide that information *as soon as possible and at the latest 15 working days* from the date of receipt of the request.

3. Where two or more competent authorities initiate investigations concerning the same products or economic operators, the lead authority shall be the one which first informed the Commission and the competent authorities of other Member States of the decision to initiate an investigation in accordance with Article 9(1), point (b).
4. Before initiating an investigation in accordance with Article 5, a competent authority shall verify in the information and communication system referred to in Article 22(1) whether there is a lead authority referred to in paragraph 3 investigating the same product and economic operator.
5. Where there is a lead authority as referred to in paragraph 3, competent authorities shall share all the evidence and information they may have with that lead authority to facilitate the investigation and shall not start a separate investigation.
6. The lead authority shall carry out the investigation and adopt a decision in accordance with Article 6 on the basis of the assessment of all evidence before it.
- 6a. ***Before initiating a preliminary investigation in accordance with Article 4, a competent authority shall verify in the information and communication system referred to in Article 22(1) whether there are one or more authorities assessing the same product and the same economic operator. Where there is at least one other competent authority conducting such assessment, only the competent authority which first informed the Commission and the competent authorities of other Member States of the decision to open a preliminary investigation in accordance with Article 9(1), point (-aa) shall request the information referred to in Article 4(3) from the economic operator and relevant product suppliers. That competent authority shall share all information collected with the other competent authorities assessing the same products or the same economic operators.***
- 6b. ***Where competent authorities are mentioned in paragraphs 2, 3, 4, 5, 6 and 6a, they shall be deemed to include the Commission, when it acts on the basis of Chapter II of this Regulation.***

**Article 26 a**  
**Amendment of Directive (EU) 2019/1937**

***In Part I.C.1 of the Annex to Directive (EU) 2019/1937, the following point is added:***

- ‘(iv) Regulation (EU) XXXX/XXXX of the European Parliament and of the Council of [date] on prohibiting products made with forced labour on the Union market and amending Directive (EU) 2019/1937.’***

**Final CA 4**

(CA replacing all relevant amendments, including AM 680 Renew, AM 710 Renew, AM 74 Rapp, AM 706 EPP, AM 707 S&D, AM 709 Greens, AM 711 Renew, AM 75 Rapp, AM 712 Renew, AM 713 S&D, AM 714 Greens, AM 718 Left, AM 719 Greens, AM 721 Renew)

## **Chapter III**

### **Products entering or leaving the Union market**

## Article 15

### Controls

1. Products entering or leaving the Union market shall be subject to the controls and measures laid down in this Chapter.
2. The application of this Chapter is without prejudice to other Union legislation governing the release for free circulation or export of products, in particular Articles 46, 47, 134 and 267 of Regulation (EU) No 952/2013.
3. The **Commission or the** competent authority shall without delay, where no request for a review has been introduced within the time limits referred in Article 8(1) or the decision is definitive in case of a request for a review as referred to in Article 8(3), communicate to the customs authorities of Member States:
  - (a) any decision to prohibit the placing or making available of the products on the Union market and their export, as well as to order the withdrawal of the products already placed or made available on the Union market and their disposal referred to in Article 6(4);
  - (b) any decision following the review referred to in Article 8(3).
4. Customs authorities shall rely on the decisions communicated pursuant to paragraph 3 to identify products that may not comply with the prohibition laid down in Article 3. For that purpose, they shall carry out controls on products entering or leaving the Union market in accordance with Articles 46 and 47 of Regulation (EU) No 952/2013. ***The Commission and Member States shall ensure that the customs authorities have sufficient resources to carry out these controls.***
5. The **Commission or the** competent authority shall without delay communicate to the customs authorities of Member States a withdrawal of the decision referred to in Article 6(6).

## Article 16

### Information to be made available to customs authorities

1. The Commission is empowered to adopt delegated acts in accordance with Article 27 to supplement this Regulation by identifying the products or product groups for which the information referred to in paragraph 2 shall be provided to customs authorities, amongst others, on the basis of the database referred to in Article 11 or of information and decisions encoded in the information and communication system referred to in Article 22(1).
2. Customs authorities shall be provided with information identifying the product, information about the manufacturer or the producer and information about the product suppliers as regards products entering or leaving the Union market that have been identified by the Commission pursuant to paragraph 1, unless the provision of such information is already required pursuant to customs legislation referred to in Article 5(2) of Regulation (EU) No 952/2013.
3. The Commission may adopt implementing acts further specifying the details of the information to be made available to customs authorities pursuant to paragraph 1.
4. The implementing acts referred to in paragraph 3 shall be adopted in accordance with the examination procedure pursuant to Article 29.
5. Where a specific product has been identified in a decision referred to in Article 6(4), in order for the customs authorities to be able to act immediately, the procedure provided for in Article 28 shall apply to delegated acts adopted pursuant to this Article.

*Article 17*  
**Suspension**

Where customs authorities identify a product entering or leaving the Union market that may, in accordance with a decision received pursuant to Article 15(3), be in violation of Article 3, they shall suspend the release for free circulation or the export of that product. Customs authorities shall immediately notify the relevant competent authorities *or the Commission* of the suspension and transmit all relevant information to enable them to establish whether the product is covered by a decision communicated pursuant to Article 15(3).

*Article 18*  
**Release for free circulation or export**

1. Where the release for free circulation or the export of a product has been suspended in accordance with Article 17, the product shall be released for free circulation or exported where all the other requirements and formalities relating to such a release or export have been fulfilled and where either of the following conditions is satisfied:
  - (a) within 4 working days of the suspension, if the *Commission or the* competent authorities have not requested the customs authorities to maintain the suspension. In case of perishable products, animals and plants that time limit shall be 2 working days;
  - (b) the *Commission or the* competent authorities informed the customs authorities of their approval for release for free circulation or export pursuant to this Regulation.
2. The release for free circulation or export shall not be deemed proof of compliance with Union law and, in particular, with this Regulation.

*Article 19*  
**Refusal to release for free circulation or export**

1. Where the *Commission or the* competent authorities conclude that a product that has been notified to them in accordance with Article 17 is a product made with forced labour pursuant to a decision referred to in Article 6(4), they shall require customs authorities not to release it for free circulation nor to allow its export.
2. Competent authorities shall immediately enter that information in the information and communication system referred to in Article 22(1) and notify the customs authorities accordingly. Upon such notification, customs authorities shall not allow the release for free circulation or export of that product and shall also include the following notice in the customs data-processing system and, where possible, on the commercial invoice accompanying the product and on any other relevant accompanying document: ‘Product made with forced labour - release for free circulation/export not authorised - Regulation (EU) XX/20XX’ [*OP to indicate reference of this Regulation*].

*Article 20*  
**Measures on products refused for release for free circulation or export**

Where the release for free circulation or export of a product has been refused in accordance with Article 19, customs authorities *in cooperation with the Commission or the competent authorities* shall take the necessary measures to ensure that the product concerned is *donated to charitable or public interest purposes if it is perishable. If such products are not*

*perishable, they should be recycled, and if that is not possible, they should be* disposed of in accordance with national law consistent with Union law. Articles 197 and 198 of Regulation (EU) No 952/2013 shall apply accordingly.

#### *Article 21*

### **Exchange of information and cooperation**

1. To enable a risk-based approach for products entering or leaving the Union market and to ensure that controls are effective and performed in accordance with the requirements of this Regulation, *the Commission*, competent authorities and customs authorities shall cooperate closely and exchange risk-related information, *in which the Commission will take on a coordinating role*.
2. Cooperation among authorities and exchange of risk information necessary for the fulfilment of their respective functions under this Regulation, including through electronic means, shall take place between the following authorities:
  - (a) customs authorities in accordance with Article 46(5) of Regulation (EU) No 952/2013;
  - (b) competent authorities and customs authorities in accordance with Article 47(2) of Regulation (EU) No 952/2013.

### **Final CA 5**

(CA replacing all relevant amendments, including AM 76 Rapp, AM 725 Renew, AM 77 Rapp, AM 727 Renew, AM 78 Rapporteur, AM 729 S&D, AM 730 Renew, AM 731 Greens, AM 732 EPP, 71 DROI, AM 734 EPP, AM 735 ECR, AM 736 Greens, AM 79 Rapporteur, AM 745 Greens, DROI 78, DEVE 60, AM 80 Rapporteur, AM 740 EPP, AM 734 EPP, AM 82 Rapporteur, AM 83 Rapporteur, AM 84 Rapporteur, AM 739 Renew, AM 737 EPP, AM 753 EPP, 72 DROI, AM 85 Rapp, AM 748 EPP, AM 750 and 755 EPP, AM 756 ECR, AM 86 Rapp, AM 763 S&D; AM 788 Greens, 33 EMPL, AM 767 Renew, AM 768 Greens, AM 783 The Left, 24 EMPL, AM 88 Rapp, AM 89 Rapp, AM 90 Rapp, DROI 81, EMPL 28, DEVE 61, AM 91 Rapp, AM 771 Greens, AM 92 Rapp, AM 764 MEPs, AM 771 Greens, AM 780 MEPs, AM 779 EPP, 25 EMPL, AM 774 EPP, 28 EMPL, 61 DEVE, AM 774 EPP, 26 EMPL, AM 93 Rapp, AM 94 Rapp, AM 765, 782 Greens, AM 764 MEPs, AM 766, AM 781 EPP, DROI 79, EMPL 22, DEVE 61, AM 95 Rapp)

## **Chapter IV**

### **Information systems, guidelines and coordinated enforcement**

#### *Article 22*

#### **Information and communication systems**

1. For the purposes of Chapters II and III, competent authorities shall use the information and communication system referred to in Article 34 of Regulation (EU) 2019/1020. The Commission, competent authorities and customs authorities shall have access to that system for the purposes of this Regulation.
2. The decisions communicated pursuant to Article 15(3) shall be entered in the relevant customs risk management environment.



3. The Commission shall develop an interconnection to enable the automated communication of decisions referred to in Article 15(3) from the information and communication system referred to in paragraph 1 to the environment referred to in paragraph 4. That interconnection shall start operating no later than **one year** from the date of the adoption of the implementing act referred to in paragraph 7, point (b), in respect of that interconnection.
4. Requests and notifications exchanged between competent authorities and customs authorities pursuant to Articles 17 to 20 of this Regulation as well as the ensuing messages shall take place by means of the information and communication system referred to in paragraph 1.
5. The Commission shall interconnect the national single window environments for customs with the information and communication system referred to in paragraph 1 to enable the exchange of requests and notifications between customs, **the Commission** and competent authorities pursuant to Articles 17 to 20 of this Regulation. That interconnection shall be provided through [EU CSW-CERTEX pursuant to Regulation XX/20XX]<sup>4</sup> within **two** years from the date of adoption of the implementing act referred to in paragraph 7(c). The exchanges referred to in paragraph 4 shall take place through that interconnection as soon as it is operational.
6. The Commission may extract from the surveillance system referred to in Article 56(1) of Commission Implementing Regulation (EU) 2015/2447 information on products entering or leaving the Union market related to the implementation of this Regulation and transmit it to the information and communication system referred to in paragraph 1.
7. The Commission is empowered to adopt implementing acts in accordance with the examination procedure pursuant to Article 29 to specify the procedural rules and the details of the implementation arrangements for this Article, including:
  - (a) the functionalities, data elements and data processing, as well as the rules on the processing of personal data, confidentiality and controllership, of the information and communication system referred to in paragraphs 1 and 4;
  - (b) the functionalities, data elements and data processing, as well as the rules on the processing of personal data, confidentiality and controllership for the interconnection referred to in paragraph 3;
  - (c) the data to be transmitted between the information and communication system referred to in paragraph 1 and the national single window environments for customs for the purposes of paragraph 5;
  - (d) the data to be transmitted, as well as the rules on its confidentiality and controllership, in accordance with paragraph 6.

### *Article 23*

#### **Guidelines and support**

The Commission shall issue guidelines no later than **12** months **before the date of application** of this Regulation, which shall include the following:

- (a) guidance on due diligence in relation to forced labour, **including forced child labour**, which shall take into account applicable Union legislation setting out due diligence requirements with respect to forced labour, guidelines and recommendations from international organisations, as well as the size and

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<sup>4</sup> Established by the Regulation on the EU Single Window Environment for Customs (EU SWE-C).

economic resources of economic operators, *different types of suppliers along the supply chain, different sectors and the particular risks associated with forced labour imposed by state authorities;*

- (aa) *guidance on how to submit information pursuant to Article 10;*
- (ab) *guidance for economic operators and product suppliers on how to engage in dialogue with competent authorities pursuant to Articles 4 and 5;*
- (ac) *guidance for economic operators on measures that are suitable and effective for bringing to an end different types of forced labour;*
- (b) information on risk indicators of forced labour, *including on how to identify them*, which shall be based on independent and verifiable information, including reports from international organisations, in particular the International Labour Organization, civil society, business organisations, and experience from implementing Union legislation setting out due diligence requirements with respect to forced labour;
- ~~(c) a list of publicly available information sources of relevance for the implementation of this Regulation;~~
- (d) further information to facilitate the competent authorities' implementation of this Regulation;
- (e) guidance for *competent authorities on the practical application of Articles 4 and 5, Article 11, Article 16 and, where appropriate, any other provision laid down in Chapter III of this Regulation, including benchmarks for assisting competent authorities in their risk-based assessments of investigations and guidelines on the applicable standard of evidence and on how to ensure that economic operators can use the official language of their place of establishment.*

*The guidance referred to in paragraph 1, point (a), shall focus in particular on assisting small and medium-sized enterprises (SMEs) and economic operators outside the scope of [Directive 20XX/XX/EU on Corporate Sustainability Due Diligence] in complying with this Regulation, and in particular with regard to cases referred to in Article 5(2)(da).*

*Furthermore, the Commission shall develop accompanying measures to support the efforts of economic operators and their business partners in the same supply chain, in particular the SMEs. These measures shall include a one-stop shop for all matters related to the application of this Regulation and support to multi-stakeholder initiatives.*

*National competent authorities shall support micro, small and medium-sized enterprises (SMEs) by organizing trainings on forced labour risk indicators and on engagement with authorities during investigations, and set up a hotline for questions related to this Regulation.*

*The Commission shall consult relevant stakeholders and partners when elaborating the guidelines referred to in this Article.*

*The guidelines shall be consistent with guidelines provided in accordance with other relevant Union Law.*

1. A Union Network Against Forced Labour Products ('the Network') is established. The Network shall serve as a platform for structured coordination and cooperation between the competent authorities of the Member States and the Commission, and to streamline the practices of enforcement of this Regulation within the Union, thereby making enforcement more effective and coherent. ***The Commission shall coordinate the work of the Network.***
  - 1a. ***The Commission and the Member States shall ensure that the Network has the necessary resources to carry out the tasks referred to in paragraph 3, including sufficient budgetary and other resources.***
2. The Network shall be composed of representatives from each Member States' competent authority, representatives from the Commission and experts from the customs authorities.
  - 2a. ***A representative from the Commission shall chair the meetings of the Network.***
  - 2b. ***The Network shall have a secretariat. It shall be provided by the Commission. The secretariat shall organise the meetings of the Network and provide technical and logistical support to the Network.***
3. The Network shall have the following tasks:
  - (a) facilitate the identification of common priorities for enforcement activities, to exchange information, expertise and best practices;
  - (b) conduct joint investigations;
  - (ba) commission research and monitor situations of systemic use of forced labour;**
  - (c) contribute to uniform risk-based approaches and administrative practices for the implementation of this Regulation in the Member States;
  - (ca) facilitate capacity building activities, such as the organisation of training programmes for competent authorities and other relevant stakeholders;**
  - (cb) promote cooperation, exchange of expertise, exchanges of personnel and voluntary mutual visit programmes between competent authorities and, where appropriate, with the authorities of partner third countries or with international organisations, especially with low and lower middle-income countries' authorities;**
  - (cc) assist in the organisation of information campaigns about this Regulation inside and outside the Union;**
  - (cd) involve and organize training for the diplomatic representations of the Union to assist in the information gathering and dissemination efforts of this Regulation;**
  - (d) contribute to the development of guidance to ensure the effective and uniform application of this Regulation, ***and identify discrepancies between enforcement at the level of different EU Member States;***
  - (e) promote and facilitate collaboration to explore possibilities for using new technologies for the enforcement of this Regulation and the traceability of products;
  - (f) to promote the cooperation and exchange of expertise and best practices between competent authorities and customs authorities, ***as well as between these and third countries' competent authorities and international organisations, including the World Customs Organisation;***
  - (fa) maintain regular contact with the Commission's relevant services to receive information from other EU initiatives that support the eradication of forced labour and provide relevant information about the application of this Regulation.**

4. The Commission shall *ensure the effective and uniform application of this Regulation and to that effect* support and encourage cooperation between enforcement authorities through the Network.
- 4a. *The Network may invite experts and stakeholders, including social partners and other workers' representatives, civil society and human rights organizations representatives, businesses representatives, international organisations, third countries' competent authorities, the European Agency for Fundamental Rights, the European Labour Authority or other Union agencies with relevant expertise in the areas covered by the Regulation to attend meetings of the Network or to provide written contributions. Where appropriate, diplomatic representations of the Union, particularly based in countries with regions identified as of high risk of forced labour, shall also be involved in the work of this Network.*
- 4b. *The Network shall meet at regular intervals and, where necessary, at the duly motivated request of the Commission or a Member State.*
5. The Network shall establish its rules of procedure.

## **Final CA 6**

(CA replacing all relevant amendments, including AM 791 Left, 793 Greens, 82 DROI, AM 96 Rapp, AM 795 Left, AM 796 EPP, AM 797 MEPs, AM 798 Greens, AM 800, AM 801 Renew, AM 808 Greens, AM 806 EPP, 83 DROI, DROI 86, AM 97 Rapp, AM 802 Left, AM 803 Renew, AM 804 (S&D), AM 807 Greens, AM 810 MEPs, 84 DROI, 63 DEVE, AM 822 S&D, AM 100 Rapp, AM 824 S&D, AM 825 Greens, AM 826 Renew, AM 831 EPP, AM 101 Rapp, AM 829 S&D)

## **CHAPTER V**

### **Final provisions**

#### *Article 25*

#### **Confidentiality**

1. The competent authorities shall only use information received pursuant to this Regulation for the purpose of applying this Regulation.
2. ~~Where requested,~~ the Commission, Member States and competent authorities shall treat the identity of those who provide information, or the information provided, as confidential, ***unless stated otherwise by those who provide information.*** ~~A request for confidentiality shall be accompanied by a non-confidential summary of the information supplied or by a statement of the reasons why the information cannot be summarised in a non-confidential manner.~~
3. Paragraph 2 shall not preclude the Commission from disclosing general information in a summary form, provided such general information does not contain any information which allows the identification of the provider of the information. Such disclosure of general information in a summary form shall take into account the legitimate interest of the parties concerned in preventing the disclosure of confidential information.

## Article 26

### International Cooperation

1. In order to facilitate effective implementation and enforcement of this Regulation, the Commission **shall** as appropriate cooperate, engage and exchange information with, amongst others, authorities of third countries, international organisations, civil society representatives, **including trade unions, workers' rights organisations, NGOs and networks of affected stakeholders**, business organisations **and other relevant stakeholders, through new and existing dialogue structures**. International cooperation with authorities of third countries shall take place in a structured way as part of the existing dialogue structures with third countries or, if necessary, specific ones that will be created on an ad hoc basis, **and shall, where appropriate, facilitate the exchange of information on investigations, including the reasons and evidence for decisions taken to ban products from their jurisdictions. The Commission shall have regular contact and cooperation in particular with countries that have similar legislation in place, to share information of risk products or regions as well as best practices for bringing to an end forced labour.**
  - 1a. **Cooperation with third countries shall be integrated with other EU policies and instruments that include measures to eradicate forced labour, including trade agreements, the Generalised Scheme of Preferences, and development cooperation projects led by the Commission.**
  - 1b. **The Commission and Member States shall develop cooperation and partnership mechanisms with third countries to address the root causes of forced labour, prevent and eliminate practices of forced labour, and build the capacity of upstream economic actors to respond to the requirements under this Regulation.**
2. For the purposes of paragraph 1, cooperation with, amongst others, international organisations, civil society representatives, business organisations and competent authorities of third countries may result in the Union developing accompanying measures to support the efforts of companies, **and in particular SMEs, civil society organizations, and partner countries' efforts** and locally available capacities in tackling forced labour **and its root causes**.

## Article 27

### Delegated Acts and Exercise of the Delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in **Article 11a**, Article 16(1), **and in Article 30(4)** shall be conferred on the Commission for an indeterminate period of time from date of entry force of this Regulation.
3. The delegation of power referred to in **Article 11a**, Article 16(1) **and in Article 30(4)** may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016<sup>5</sup>.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. A delegated act adopted pursuant to *Article 11a*, Article 16(1) **and in Article 30(4)** shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

#### *Article 28*

#### **Urgency procedure**

1. Delegated acts adopted under this Article shall enter into force without delay and shall apply as long as no objection is expressed in accordance with paragraph 2. The notification of a delegated act to the European Parliament and to the Council shall state the reasons for the use of the urgency procedure.
2. Either the European Parliament or the Council may object to a delegated act in accordance with the procedure referred to in Article 27 (6). In such a case, the Commission shall repeal the act immediately following the notification of the decision to object by the European Parliament or by the Council.

#### *Article 29*

#### **Committee procedure**

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Article 3(2) of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

#### *Article 30*

#### **Penalties**

1. The Member States shall lay down the rules on penalties applicable to non-compliance with a decision referred to in Article 6(4). ~~and shall take all measures necessary to ensure that the they are implemented in accordance with national law.~~
2. The penalties provided for shall **take the form of pecuniary fines and** be effective, proportionate and dissuasive.
3. The Member States shall, by [OP enter DATE = 24 months from entry into force of this Regulation], notify those provisions to the Commission, where they have not previously been notified, and shall notify it, without delay, of any subsequent amendment affecting them.
4. ***The Commission shall be empowered to adopt delegated acts in accordance with Article 27 in order to supplement this Regulation by establishing further detailed***

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<sup>5</sup> Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making (OJ L 123, 12.5.2016, p. 1)

*conditions applicable to the penalties, as referred to in paragraph 1, defining the method for calculating financial penalties and the thresholds applicable, where such penalties are used, and specifying mitigating and aggravating circumstances. The first delegated act shall be adopted by [OP enter DATE = 6 months from the entry into force of this Regulation].*

*Article 30a*  
**Evaluation and review**

1. *By [one year after the date of application] and every four years thereafter, the Commission shall carry out an evaluation of this Regulation taking account of its objectives and shall submit a report thereon to the European Parliament, to the Council and to the European Economic and Social Committee.*
2. *The report shall assess whether and how this Regulation achieved its objectives, in particular with regard to:*
  - i) the reduction of the number of products made with forced labour on the Union market;*
  - ii) the improvement of cooperation between competent authorities and strengthening the controls on products entering the Union market;*
  - iii) the impact on businesses, and in particular on SMEs, of the administrative procedures related to the investigations and decisions;*
  - iv) the cost of compliance for economic operators, and in particular SMEs;*
  - v) the impact on the competitiveness of companies operating in the internal market;*
  - vi) the impact on trade;*
  - vii) the alignment with other relevant Union legislation;*
  - ix) the contribution to fight forced labour globally;*
  - x) the overall cost-benefit and effectiveness of the ban.*
3. *The report shall be accompanied, where appropriate, by a legislative proposal.*
- 3a. *The report shall also assess whether the scope should be enlarged to include services ancillary to the extraction, harvesting, production or manufacturing of products.*
4. *The Commission shall continuously monitor the impact of this Regulation on victims of forced labour, also paying particular regard to the situation of women and children. The monitoring shall be based on a scientific and transparent methodology and shall take into account information provided by stakeholders.*

*Article 31*  
**Entry into force and date of application**

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall apply from [OP enter DATE = 24 months from its entry into force].

This Regulation shall be binding in its entirety and directly applicable in all Member States.