

EU SANCTIONS ALERT: High risk of circumvention

Import of plywood

14 March 2025



Context: Plywood (CN 4412) – and particularly birch plywood (CN 44123310) – is a major source of revenue for Russia and Belarus. EU sanctions prohibit the purchase, import or transfer, directly or indirectly, of plywood and other wood products originating in Russiaⁱ or Belarusⁱⁱ, or exported from there. Related services, including brokering, logistics support and warehousing, are also prohibited. In addition, several oligarchs with links to the wood industry in Russia and Belarus are listedⁱⁱⁱ under EU individual sanctions, which include a prohibition to make funds or economic resources available to them, directly or indirectly.

Circumvention schemes: To sell their plywood into the EU, Russian and Belarusian producers use third-country companies that repackage and relabel their products. These companies try to hide the real origin of the products by providing false or misleading documents, including invoices, certificates of origin, proof of harvest location and independent third-party certificates, e.g. green label. The goods are shipped by road, rail or sea.

Due diligence: Enhanced due diligence on the origin of imported plywood is strongly recommended. This applies to first placers on the EU market as well as intermediaries (such as warehouse owners) and end-users. See the Commission's notice^{iv} and guidance^v, including general red flags. The conclusions of the EUTR Expert Group of 29 April 2022^{vi} contain further details on due diligence requirements. Illicit trade in plywood has also been the topic of recent press and NGO reports, which are publicly available.

Specific red flags:

- **Plywood made of birch;**
- **Producer/exporter in China, Kazakhstan, Türkiye or another country with:**
 - **trade links to Russia or Belarus** and/or
 - **sudden, recent growth in plywood exports to the EU;**
- **Processing operations that are not economically justified;**
- **Illogical logistic routes.**

Liability: EU operators (individuals/entities) are legally liable whether they violate sanctions intentionally or by negligence. They cannot escape liability if they fail to perform due diligence. Apart from reputational damage, EU operators that violate sanctions risk administrative and criminal penalties. Voluntary self-disclosure can be a mitigating factor. The EU can also impose sanctions against companies in the supply chain. In parallel, illicit imports of plywood are investigated for customs fraud. Russian birch plywood has been subject to anti-dumping duties at import to the EU since 2021; following an investigation, these measures were extended to Kazakhstan and Türkiye in 2024^{vii}. Payment of tariffs does not exempt from liability under sanctions law.

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- i Council Regulation (EU) No 833/2014, <http://data.europa.eu/eli/reg/2014/833/oj>
 - ii Council Regulation (EC) No 765/2006, <http://data.europa.eu/eli/reg/2006/765/oj>
 - iii Council Regulation (EU) No 269/2014, <http://data.europa.eu/eli/reg/2014/269/oj>
 - iv Notice to economic operators, importers and exporters, 2022/C 145 I/01, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=oj:JOC_2022_145_I_0001
 - v Guidance on due diligence, https://finance.ec.europa.eu/publications/guidance-due-diligence_en
 - vi Summary record, ninth meeting of the EU Timber Regulation (EUTR) Expert Group, <https://ec.europa.eu/transparency/expert-groups-register/screen/meetings/consult?lang=en&meetingId=41495&fromExpertGroups=3282>
 - vii EU tackles circumvention of anti-dumping tariffs on birch plywood imports, https://policy.trade.ec.europa.eu/news/eu-tackles-circumvention-anti-dumping-tariffs-birch-plywood-imports-2024-05-14_en

Questions? RELEX-SANCTIONS@ec.europa.eu

To report a violation: <https://eusanctions.integrityline.com>

Information on EU sanctions: <https://commission.europa.eu/sanctions>