



# Obligations under the EU regulation on ABS

## 1. Due diligence

If their activities fall under the «utilisation of genetic resources», companies must exercise due diligence. Due diligence is a process to ascertain that any biological material obtained and used for R&D meets applicable legal requirements on ABS.

Due diligence requires managing information on:



Date, place, source for material, in order to define applicability of legal requirements



Relevant ABS permits and agreements, including those recognized through the CBD ABS Clearing House Mechanism.

The aim of due diligence is informed decision-making, but if legal compliance cannot be verified or secured, it requires discontinuation of R&D.

▶ Companies conducting biodiversity-based innovation in the EU now need to be able to trace biological material used in R&D and have information on the origin of samples and any conditions and restrictions for their use.



## 2. Declaration

The EU Regulation on ABS requires companies to make a declaration of due diligence. This will allow countries to monitor and exchange information on ABS compliance under the Nagoya Protocol. There are two «checkpoints» or situations that trigger a declaration of due diligence: receiving research grants and reaching the final stages of product development.

	Research funding	Final stages of product development
Who?	Recipient of grant for R&D, whether from commercial or non-commercial sources. This does not cover internal budgetary resources	Company or organization involved in final stages of product development
When?	Once first instalment of grant received and all biological material for R&D secured, but prior to final report or end of project	<ul style="list-style-type: none"> <li>Product notification (e.g. registration of cosmetic product into CPNP), authorization (e.g. for novel foods) or placing in market (e.g. other food products).</li> <li>Transfer of R&amp;D results or outcomes to another company within or outside the EU.</li> </ul>
How?	Template in implementing rules	Template in implementing rules

A due diligence declaration is required only once, upon the first of relevant situations.

Information provided in the declaration is collected by competent authorities in each EU Member State. It is shared with the European Commission and the ABS Clearing House Mechanism.

**For further information on ABS, please see [www.uebt.org](http://www.uebt.org)**