



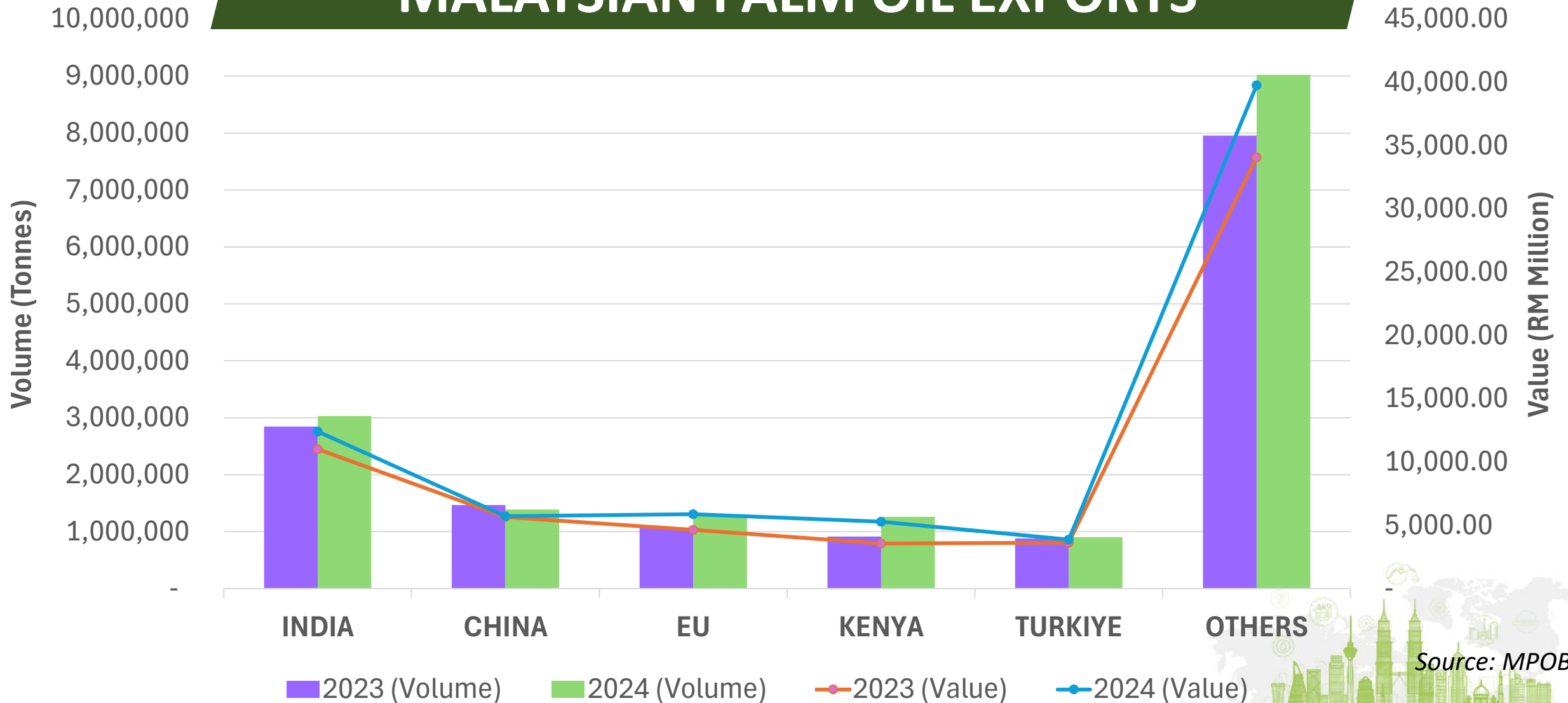
# Preparedness of the Malaysian Oil Palm Industry for EUDR Requirements

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**Dr. Ramle Moslim**

Deputy Director General (R&D)  
Malaysian Palm Oil Board (MPOB)

# TOP 5 DESTINATIONS OF MALAYSIAN PALM OIL EXPORTS



Source: MPOB

[www.mpob.gov.my](http://www.mpob.gov.my)

[f Malaysian Palm Oil Board](#)
[t MPOB\\_tweets](#)
[v Malaysian Palm Oil Board](#)
[i mpob\\_ig](#)





# Impact of the European Deforestation-free Regulation (EUDR)

# OVERVIEW OF EU DEFORESTATION-FREE REGULATION (EUDR)

EUDR applies to the following commodities:



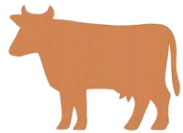
Coffee



Cocoa



Soy



Cattle



Palm Oil



Rubber



Wood

## Main Conditions of EUDR (*Article 3 – Prohibition*)

- (a) they are **deforestation-free** (cut-off date: 31 December 2020);
- (b) they have been **produced in accordance** with the **relevant legislation of the country of production**; and
- (c) they are covered by a **due diligence statement**.

## Traceability requirement (*Article 2 (28) – Geolocation*)

- Plots of land < 4 ha : must provide geocoordinates with six decimal digits;
- Plots of land of > 4 ha : polygons must include sufficient latitude and longitude points to describe the perimeter of each plot of land

## Implications of Non-Compliance (*Article 25 – Penalties*)

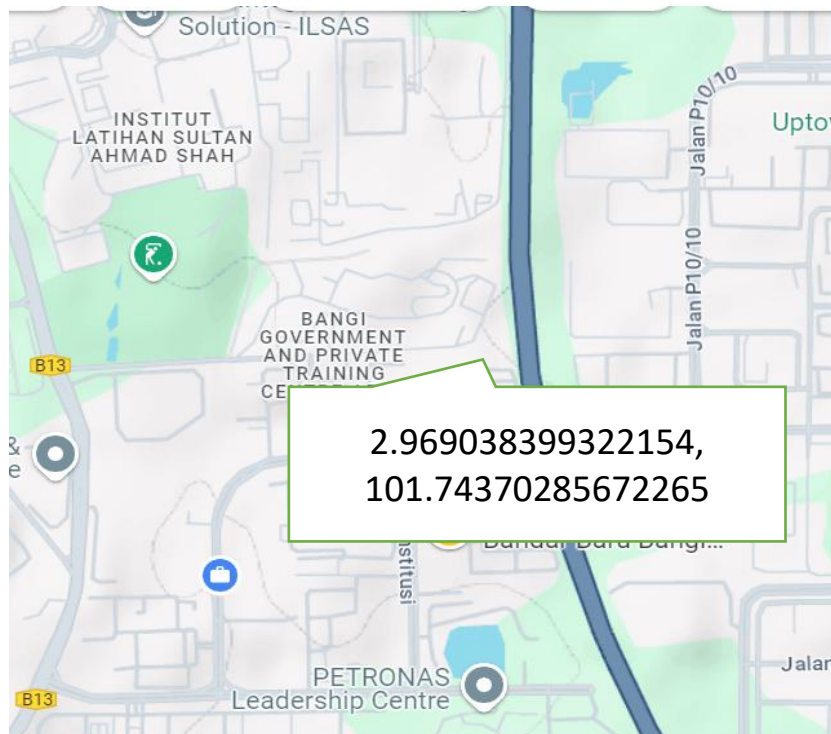
- Commodity seizure
- Fines up to 4% of annual turnover in Member States
- Activity suspension or prohibition
- Revenue confiscation



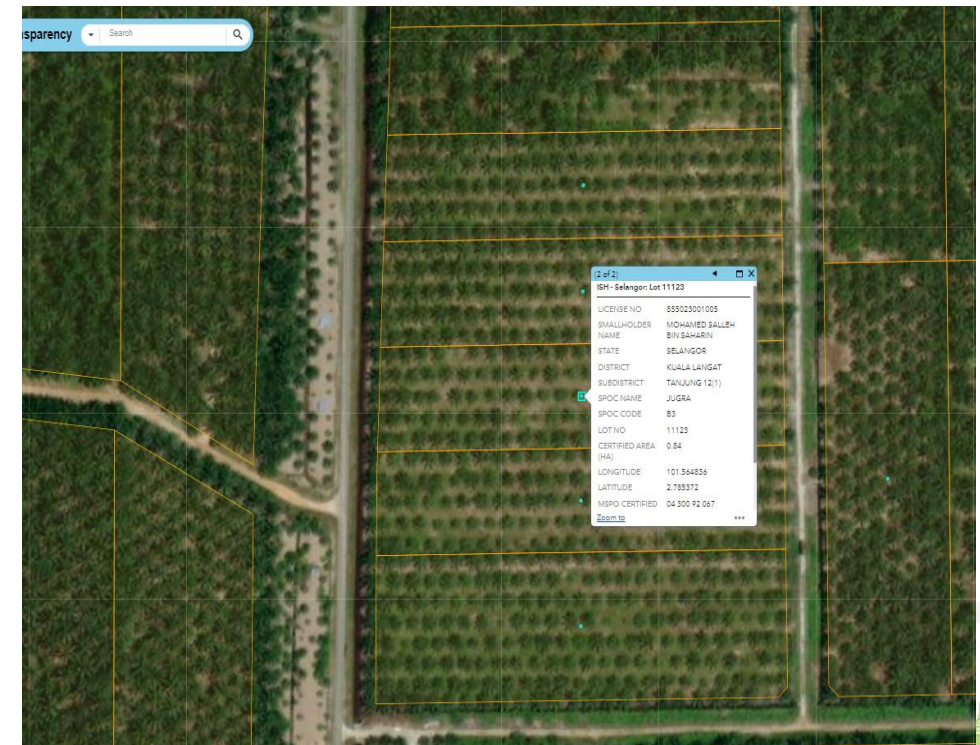


# EUDR – Geolocation Requirements

**Plots 4 ha and below:** to provide geocoordinates



**Plots above 4 ha:** to provide polygons



# EUDR DEVELOPMENT

## EUDR Postponement

- New application date:
  - Large Operators & Traders:  
**30 Dec 2025**
  - Micro & Small Enterprise:  
**30 June 2026**

### Country Classification

(announced in May 2025)

- Under EUDR, Malaysia is classified as a **Standard-Risk** country, subjecting its shipments to 3% inspection rates when entering the EU market.

Classification	Examples of countries
Low risk (inspection rate (ir): 1% of shipments)	140 countries including all EU Member States, US, China, India, South Africa, Thailand, and Vietnam.
Standard risk (ir: 3% of shipments)	50 countries including <b>Malaysia</b> , Indonesia, and Brazil.
High risk (ir: 9% of shipments)	Only 4 countries : Belarus, Myanmar, North Korea, and Russia.



Establishing **National Task Force** on the Implementation of EUDR involving KPK, NRES, MITI and other relevant Ministries and Agencies.




[www.mpob.gov.my](http://www.mpob.gov.my)

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An aerial photograph of a vast palm oil plantation. The foreground and middle ground are filled with a dense, repeating pattern of palm trees, their fronds creating a textured green canopy. In the distance, a thin layer of mist or low clouds hangs over the horizon, separating the plantation from a line of trees and distant hills. The sky is filled with large, dramatic clouds, with a bright light source (the sun) breaking through near the horizon, casting a warm, golden glow across the scene. A white, trapezoidal banner is positioned on the right side of the image, containing the word "Challenges" in a black, serif font.

# Challenges



## Challenge #1: Traceability to Plantation (TTP)

- EUDR does not allow for mass balance-based export.
- Mixed palm oil (mass balance) may be considered as “contamination” and “high risk”.
- Requires segregation – incurred high cost.
- Issues on data confidentiality and sharing of geolocation information.

## Challenge #2: Gap in Supply Chain Readiness

- EUDR requires full traceability of palm oil back to its source. Ensuring traceability in fragmented supply chain, where palm oil from various smallholders is mixed, is challenging.
- **Traceability related to palm kernel oil expected to face more difficulties due to the complexity of its supply chain.**
- Smallholders face challenges with detailed documentation and record-keeping required to prove that their palm oil is deforestation-free. This could involve maintaining records of land ownership, cultivation practices, and environmental impact assessments.



### Challenge #3: Uncertainty of Required Information from EU Authorities

- Enforcement by national “competent authorities” across 27 EU Member States may lead to different interpretations of what constitutes sufficient due diligence.
- Some Member States may require stricter data while others may accept existing national certification schemes.
- EUDR is indeed confusing to the extent that Guidance Document and several FAQs were published.

### Challenge #4: Data Protection

- Issues on data confidentiality and sharing of geolocation and polygon information

#### Limitation:

Polygon data, for example from GeoSawit, is restricted from being shared directly with foreign parties such as the Competent Authority in the EU. as it is bound by the limitations set under *Pekeliling Am Bil.1/2007 – Arahan Keselamatan Terhadap Dokumen Geospacial Terperingkat*.

Companies to share geolocation coordinate information with the Competent Authority in the EU. However, for polygons derived from GeoSawit, the process of digitization or manual redrawing of polygons must be completed before they can be shared with third parties.



An aerial photograph of a vast palm oil plantation. The foreground and middle ground are filled with a dense, repeating pattern of palm trees, their fronds creating a textured green canopy. In the distance, a thin layer of mist or smoke hangs over the trees, and a line of more distant, hazy hills is visible on the horizon. The sky is filled with dramatic, layered clouds, with the sun low on the horizon, casting a warm, golden light across the scene. A white, trapezoidal text box is positioned on the right side of the image, containing the title in a black serif font.

# Strategies and Opportunities



# EUDR – Ad Hoc Joint Task Force

Malaysia, alongside Indonesia, has proactively engaged with the EU through the Ad Hoc Joint Task Force (JTF) on EUDR.



**1<sup>st</sup> Meeting of the Ad Hoc Joint Task Force, 4 August 2023 in Jakarta, Indonesia.**



**2<sup>nd</sup> Meeting of The Ad-Hoc Joint Task Force on EUDR Regulations in Putrajaya, 2 February 2024**



**3<sup>rd</sup> Meeting of The Ad-Hoc Joint Task Force on EUDR in Brussels, 11-13 September 2024**

# Solution: Develop a national system to address EUDR and the need for oil palm plantation coverage mapping projects as a commitment to sustainability

## GeoSAWIT™

01

### Transparency

Shows the distribution of licensee information registered with MPOB

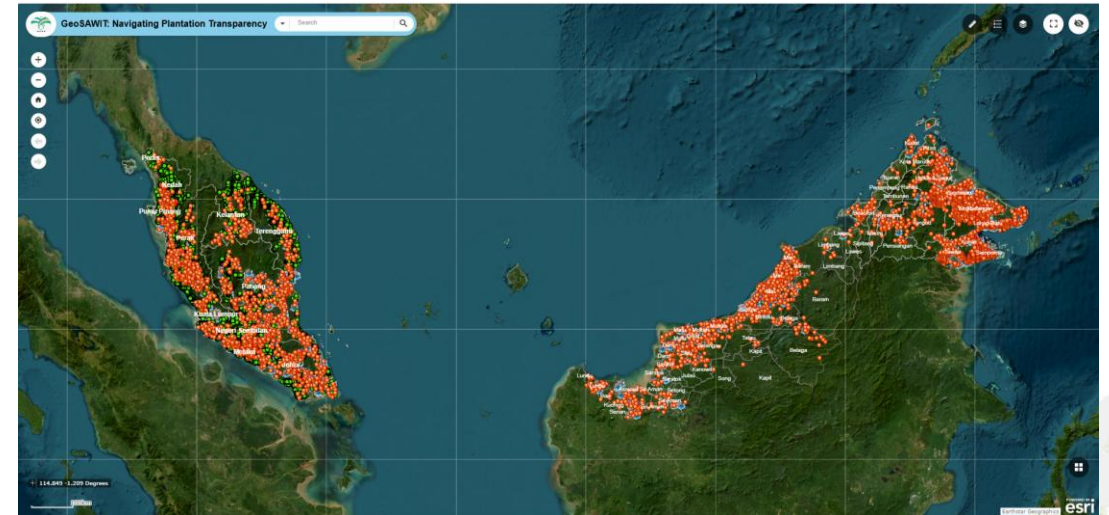
Article 2: Definitions  
Article 9: Information Requirements

1. 6 decimal digits of geolocation  
2. Plots of land where the commodity and product is produced

02

### Traceability

Supporting spatial information for each entity (estate, organised smallholders & independent smallholders) involved in the palm oil supply chain for MSPO certification



03

### Accuracy

Information has been verified at the plantations and farms



# Land Legality:

## Progress to date for Verification of Licensee and Land Ownership





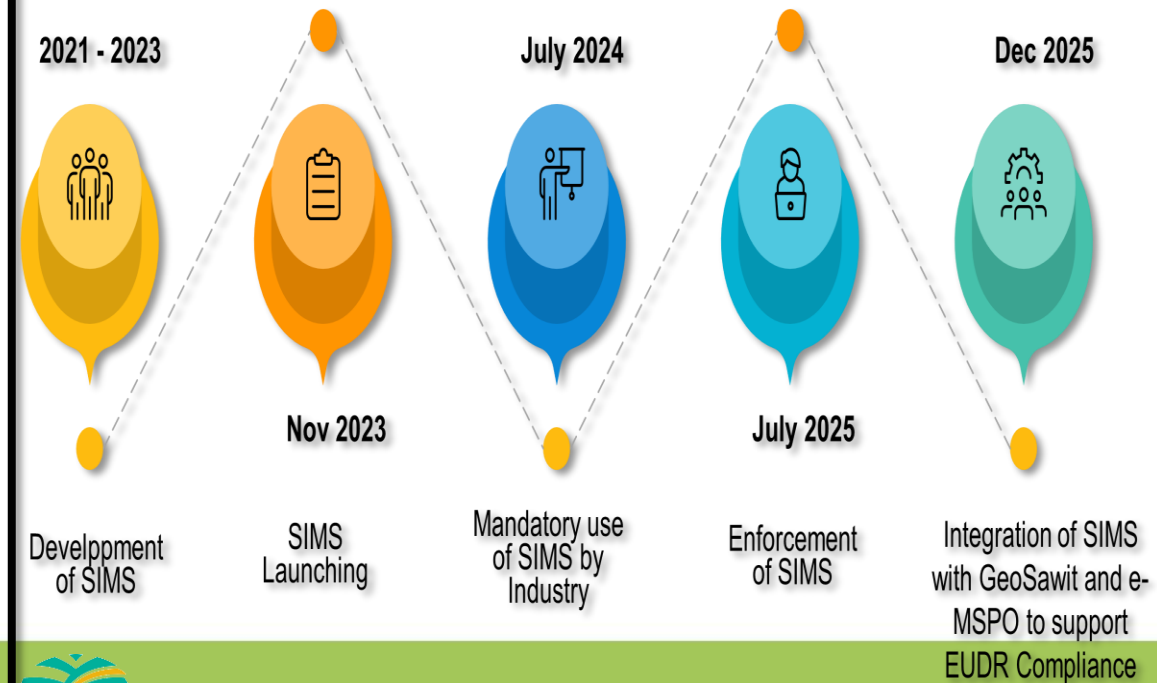
# SAWIT INTELLIGENCE MANAGEMENT SYSTEM (SIMS)



SIMS developed by the MPOB, helps licensees comply with regulatory requirements. It manages information efficiently, cutting costs and boosting industry productivity. SIMS also organizes data for easy monitoring and tracing in the palm oil supply chain

## SIMS Timeline

SIMS Journey as Traceability Tool to Meet Global Sustainability Requirement



### OBJECTIVE

To trace and monitor oil palm supply chain transaction from the FFB supplier to manufacturer of palm products



### FUNCTION

- 1.Data Collection - Automation of daily records
- 2.Traceability - Centralization of data collection will support traceability system.



### OUTPUT

- 1.Collective Intelligence System - Eradicate malpractices
- 2.Automation of daily records - Toward self-monitored



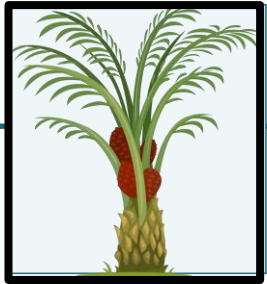
### BENEFIT

- 1.Compliance to regulatory measures
- 2.Centralized data collection will expedite decision making and help traceability



# OVERVIEW OF SIMS

## OIL PALM SUPPLY CHAIN



**SMALLHOLDERS  
/ ESTATES**



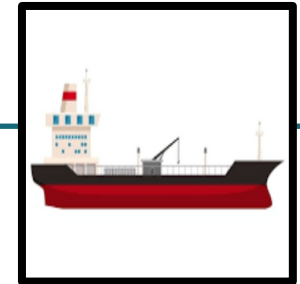
**FFB DEALER**



**PALM OIL  
MILLS**



**REFINERY**



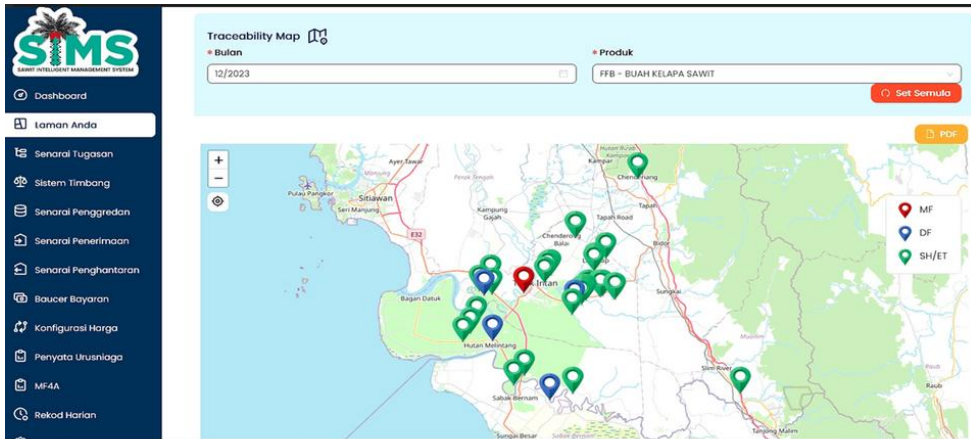
**EXPORT /  
CONSUMER**


- Business transaction data is collected along the supply chain on a daily basis.
- Full Supply Chain Coverage. Tracks transactions from plantation → dealer → mill → refinery → export.
- Ensures no “blind spots” in the supply chain.

**Traceability of Supply Chain  
Through SIMS**



# ADVANTAGES OF TRACEABILITY DATA ON SIMS





**TRACEABILITY**

No. Lesen MPOB	
Nama Pemegang Lesen	
Bulan	
Produk	FFB

Menjual kepada :

No. Lesen MPOB	Nama Pemegang Lesen	Alamat	Koordinat	No. Sijil MSPO	Bulan	Produk	Kuantiti (Tan)
			-	MSPO-198/19	OGOS	CPO	250
30042 / 100007	SDN BHD	PERUMBAHAN JALAN KASIH GUBANG, PASIR GUDANG,	103.906 1.447	-	OGOS	CPO	150

Pembekal daripada :

No. Lesen MPOB	Nama Pemegang Lesen	Alamat	Koordinat	No. Sijil MSPO	Bulan	Produk	Kuantiti (Tan)
			101.167	-	OGOS	FFB	1000.28
			3.999	-	OGOS	FFB	150
			83.052	-	OGOS	FFB	0.36
			34.974	-	OGOS	FFB	
			100.476	-	OGOS	FFB	
			5.168	-	OGOS	FFB	

01

## Data integrity & Transparency

SIMS is bound by the regulatory framework. The data submission is governed by MPOB and monitored through the routine inspection by MPOB Enforcement Officer. Builds trust between government, industry, and buyers.

02

## End to End Traceability

The mandatory use of SIMS by the industry helps to create end-to-end traceability in the supply chain. All industry players (smallholders, dealers, mills, refineries, exporters) are connected in one system.

03

## Cost-efficient & time-saving

Centralized traceability data, as all industry players use SIMS. Eliminates the need for manual consolidation, reduces errors, and speeds up compliance reporting.





# THE WAY FORWARD

“Moving forward, SIMS will be further strengthened through integration with e-MSPO and GeoSawit, creating a comprehensive digital ecosystem that enhances traceability, sustainability, and geolocation mapping – ensuring full compliance with EUDR requirements.”

## **SIMS**



Provides end-to-end digital transaction records across the palm oil supply chain, ensuring transparency and proof of origin.

## **GeoSawit – Polygon Mapping**



Geospatial mapping of plantation boundaries to demonstrate deforestation-free sourcing and compliance with EUDR land-use requirements.

## **e-MSPO – Sustainability Certification Proof**



Digital platform for MSPO certification, providing verifiable evidence of sustainability practices in line with international standards.







# See you at PIPOC 2025

## MPOB INTERNATIONAL PALM OIL CONGRESS AND EXHIBITION

18 - 20 November 2025  
Kuala Lumpur Convention Centre



Organised by  
Malaysian Palm Oil Board  
Ministry of Plantation and Commodities, Malaysia

Visit MPOB's website for more information [www.mpob.gov.my](http://www.mpob.gov.my)

[www.mpob.gov.my](http://www.mpob.gov.my)

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# SAVE THE DATES: PALM OIL REVIEW & OUTLOOK SEMINAR 2026



*Palm Oil* **R&O 2026**  
**ECONOMIC  
REVIEW & OUTLOOK  
SEMINAR**

12-13 January 2026  
Berjaya Times Square Hotel, Kuala Lumpur

*Securing the Future of Palm Oil in a Changing Global Economy*

**12 January 2026 (Day 1):**  
MPOB Insight Exchange (MIE)

**13 January 2026 (Day 2):**  
R&O 2026 Seminar





# THANK YOU

*Follow us online !*



**Dr. Ramle Moslim**

e-mail: [ramle@mpob.gov.my](mailto:ramle@mpob.gov.my)

Website: [www.mpob.gov.my](http://www.mpob.gov.my)

**Malaysian Palm Oil Board (MPOB)**

No. 6, Persiaran Institusi,  
Bandar Baru Bangi,  
43000 Kajang, Selangor  
MALAYSIA

