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**EUROPEAN UNION - CERTAIN MEASURES CONCERNING
PALM OIL AND OIL PALM CROP-BASED BIOFUELS**

**UNDERSTANDING BETWEEN INDONESIA AND THE EUROPEAN UNION
REGARDING PROCEDURES UNDER ARTICLES 21 AND 22 OF THE DSU**

The following communication, dated 15 June 2026, from the delegation of Indonesia and the delegation of the European Union to the Chairperson of the Dispute Settlement Body, is circulated at the request of these delegations.

The Dispute Settlement Body ("DSB") adopted its recommendations and rulings in the dispute *European Union— Certain Measures Concerning Palm Oil and Oil Palm Crop-Based Biofuels* (DS593) on 24 February 2025.

Pursuant to Article 21.3(b) of the Understanding on Rules and Procedures Governing the Settlement of Disputes ("DSU") the European Union and Indonesia ("the parties to the dispute") have agreed that the reasonable period of time for the European Union to implement the recommendations and rulings of the DSB would expire on 24 February 2026.

The European Union and Indonesia have agreed on the following procedures for the exclusive purposes of this dispute. They are designed to facilitate the resolution of the dispute and reduce the scope for procedural disputes and are without prejudice to either party's views on the correct interpretation of the DSU:

1. The European Union shall bring the measures found inconsistent with the covered agreements into conformity with the recommendations and rulings of the DSB in this dispute (WT/DS593/R). The European Union has indicated that amendments to Commission Delegated Regulation (EU) 2019/807¹ have been adopted on 10 April 2026 and, in accordance with the applicable procedures and without prejudice to the rights of the European Parliament and the Council of the European Union, are expected to enter into force no later than 10 September 2026.

Should Indonesia consider that the situation described in Article 21.5 of the DSU exists after that date, Indonesia may request the establishment of a panel pursuant to Article 21.5 of the DSU at any time. Indonesia may not extend their rights to hold consultations prior to requesting the establishment of an Article 21.5 panel.

2. At the first DSB meeting at which Indonesia's request for the establishment of an Article 21.5 panel appears on the agenda, the European Union shall accept the establishment of that panel.

3. The parties to the dispute shall cooperate to enable the Article 21.5 panel to circulate its report within 90 days of the panel's establishment, excluding such time during which the panel's work may be suspended pursuant to Article 12.12 of the DSU.

¹ Commission Delegated Regulation (EU) 2019/807 of 13 March 2019 supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council as regards the determination of high indirect land-use change-risk feedstock for which a significant expansion of the production area into land with high-carbon stock is observed and the certification of low indirect land-use change-risk biofuels, bioliquids and biomass fuels, OJ 2019 L 133, p. 1.

4. Either party to the dispute may request the DSB to adopt the report of the Article 21.5 panel at a DSB meeting held at least 20 days after the circulation of the report to the Members unless either party appeals the report.

5. In the event that the Appellate Body is not functioning on the date of circulation of the Article 21.5 panel report, and either Party intends to appeal such report, that Party shall endeavour to avoid an appeal under Article 16.4 and 17 of the DSU and may appeal the report through arbitration pursuant to Article 25 of the DSU. To that end, the Parties shall endeavour to agree, prior to the circulation of the Article 21.5 panel report, on appeal arbitration procedures that closely follow the substantive and procedural aspects of appellate review under Article 17 of the DSU and the Working Procedures for Appellate Review.

6. On 6 March 2026, Indonesia requested the DSB to authorize countermeasures pursuant to Article 22.2 of the DSU and the matter has been referred to arbitration pursuant to Article 22.6 of the DSU. Indonesia and the European Union shall request the Arbitrator to suspend the Article 22.6 arbitration pending the outcome of any proceedings pursuant to Article 21.5 of the DSU. In the event of a final ruling as a result of a proceeding under Article 21.5 of the DSU that a measure taken to comply does not exist or is inconsistent with a covered agreement, either Party may request the Article 22.6 arbitration to be resumed.

7. The parties to the dispute will cooperate to enable the arbitrator under Article 22.6 of the DSU to circulate its decision within 60 days of the resumption of arbitration, as referred to in paragraph 6.

8. If any of the original panellists is not available for either the Article 21.5 compliance panel or the Article 22.6 arbitration (or both), or any person serving in such proceeding becomes unavailable to serve, the parties to the dispute will promptly consult on a replacement, and either party may request the Director-General of the WTO to appoint, within ten days of being so requested, a replacement for the proceeding or proceedings in which a replacement is required. If an original panellist is unavailable to serve in either of the proceedings, or a person serving in such proceeding becomes unavailable to serve, the parties to the dispute will further request that, in making this appointment, the Director-General seek a person who will be available to act in both proceedings.

9. The parties to this dispute will continue to cooperate in all matters related to these agreed procedures and agree not to raise any procedural objection to any of the steps set out herein.

10. If, during the application of these procedures, the parties to the dispute consider that a procedural aspect has not been properly addressed in these procedures, they will endeavour to find a solution within the shortest time possible that will not affect the other aspects and steps agreed herein.
