EXPLANATORY MEMORANDUM FOR EUROPEAN UNION LEGISLATION/DOCUMENTS WITHIN THE SCOPE OF THE UK/EU WITHDRAWAL AGREEMENT AND THE WINDSOR FRAMEWORK

COM 2025/747

PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on monitoring and controlling drug precursors and repealing Regulations (EC) No 273/2004 and (EC) No 111/2005.

Submitted by the Home Office on 02/03/2026

SUBJECT MATTER

1. Drug precursor chemicals (DPCs) are chemicals which may have legitimate industrial and research uses but which can be used for the illicit manufacture of narcotic drugs or psychotropic substances. International obligations to control DPCs are established by the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 ("the 1988 Convention")[1], to which the UK is a signatory, as are all EU member states.

2. The 1988 Convention sets out controls on DPCs designed to prevent their diversion into the illicit manufacture of drugs, while still permitting legitimate trade. Such trade is subject to licensing requirements and, in some cases, pre-export notifications (PENs) to the importing country, along with export checks. As a result, the DPC control regime operates through international cooperation between exporting and importing jurisdictions, ensuring that the receiving jurisdiction has agreed to the import of the DPCs before export is authorised.

3. The proposed Regulation seeks to modernise EU rules on drug precursor control by preventing the diversion of chemicals into illicit drug production, responding to evolving drug markets and novel precursors, maintaining compliance with the 1988 Convention, improving oversight of trade while facilitating legitimate commerce, and simplifying procedures for lawful operators. The new framework would also capture rapidly emerging designer precursors that evade existing controls, consolidate internal and external trade rules, reduce precursor classifications from four to three categories - including a new one specifically for designer precursors - and require Member States to introduce effective, proportionate and dissuasive penalties.

4. This Regulation will also repeal Regulation (EC) No 273/2004 which lays down measures for monitoring trade in drug precursor chemicals within the EU, and Council Regulation (EC) No 111/2005 which governs trade in DPCs between the

[1] https://www.incb.org/incb/uploads/documents/PRECURSORS/1988_CONVENTION/1988Convention_E.pdf

EU and third countries, and replaces them with a single regulation which would cover both internal and external controls. These two regulations jointly implemented the measures envisaged by Article 12 of the 1988 Convention.

5. The proposal for this new EU Regulation stems from the EU Drugs Strategy 2021-25[2].

Main proposed changes

New categories

6. Currently substances are divided into four categories, to which different rules apply. The system changes this to three, with Category 3 being a new category for designer precursors (i.e., those which are made specifically to make illicit drugs). Category 1 compounds are listed in Annex I, Category 2 compounds (and two medicines) in Annex II and Category 3 compounds in Annex III.

Category 1 (high risk of diversion to illicit use, significant legitimate use)

7. A licence, lasting up to three years and subject to suspension or revocation in certain circumstances (such as if there are concerns about risk), would be required to supply, import, export, possess, use, or carry out intermediary activities relating to these substances above the specified quantity thresholds in Annex I, with some limited exceptions. Operators would have to appoint a responsible officer, keep premises secure, follow labelling and documentation rules, and check that customers hold valid licences. Declarations from customers to the supplier would no longer be needed.

8. Any fees must not exceed processing costs, with adjustments being made for small and medium-sized businesses.

Category 2 (widely used bulk chemicals)

9. The controls would mainly apply to external trade and companies would register their activities rather than apply for approval in advance. The registration can last up to three years or be unlimited if certain conditions are met. Operators would also have to appoint a responsible officer and follow labelling requirements, and authorities could order activities to pause or stop in certain circumstances.

Category 3 (designer precursors, no legitimate uses outside research, manufactured in order to make illicit drugs)

[2] European Union drugs strategy 2013–2020 - Consilium

10. These substances would be subject to a general ban on supply, import/export, possession, use, or carrying out intermediary activities. There would be some derogations, including for small quantities used for research or innovation, based on prior notification (valid up to six months). Authorities would be able to request extra information, conduct inspections, or – in certain circumstances - order the activity to stop.

11. For larger quantities, or for legitimate uses other than research or innovation, operators would have to obtain a licence, following rules similar to Category 1 precursors (secure premises, responsible officer, documentation and labelling, and checking counterparties).

12. The Commission would be able to use generic scheduling to control whole chemical families and to set exemption lists for specific legitimate substances not already in Category 1 or 2. This mirrors the approach often taken by the UK and other countries in controlling illicit drugs.

External trade procedures (new approach)

13. Instead of authorising each shipment, operators would submit quantity notifications — declaring the total amount of each substance they intend to trade over a set period. Customs would then verify licences/registrations/notifications and check the shipment does not exceed the declared ceiling. In some customs situations, they might also require proof of licit purpose. This process will be fully electronic once systems are interconnected.

14. The PEN process would still apply to Category 1 and certain Category 2 destinations, and to Category 3 when used under derogations. PEN would be waived for the EEA and for partner countries covered by specific agreements, and the 15-day waiting period would be removed.

Other process changes

15. Controls would be digitised and simplified through a central EU electronic system. Once the electronic system has been developed and deployed by the Commission, Member States customs authorities are expected to connect to it via the EU Customs Single Window – CERTEX (EU CSW-CERTEX).

16. Enforcement powers would be strengthened through catch-all provisions, which allow authorities to temporarily seize or detain goods based on risk. Online marketplaces would also have to report any suspicious activity.

17. A new EU Drug Precursors Information Repository would be established and managed by the EU Drugs Agency (EUDA).

SCRUTINY HISTORY

18. The substance of EU rules to control DPCs has not changed since the UK left the EU. The only changes have been to apply those rules to additional DPCs. The latest available explanatory memorandum about DPCs was published on 8 March 2023: *Explanatory memorandum for European Union legislation within the scope of the UK/EU Withdrawal Agreement and Northern Ireland Protocol, 2023/196 C(2022)8440*.

19. That EM related to a delegated Act which scheduled three additional DPCs (4-AP, 1-boc-4-AP and norfentanyl) and two further pre-precursor chemicals (DEPAPD and PMK ethyl glycidate) in Category 1. The EM explained that by scheduling these substances, the EU had sought to equip national authorities across the EU with the necessary legal powers to tackle their use in the illicit production of narcotic drugs. The amendments at that time ensured the Regulations set out the applicable control and monitoring measures for the substances.

20. The EM further clarified that before these measures were applied in Great Britain (GB) it would be necessary to amend UK legislation.

21. While there have to date been no further explanatory memoranda on the addition of DPCs by the EU, officials have submitted an impact summary to Parliament about the control by the EU in 2025 of two further DPCs: 4-piperidone and 1-boc-4-piperidone. In addition, officials will soon submit an impact summary to Parliament relating to nine further DPCs which the EU proposes to control (3'-chloropropiophenone, 2-bromo-3'-chloropropiophenone, 3'-methylpropiophenone, 2-bromo-3'-methylpropiophenone, 4'-methylpropiophenone, 2-bromo-4'-methylpropiophenone, 4'-chloropropiophenone, 2-bromo-4'-chloropropiophenone and phenyl-2-nitropropene).

22. Should the UK Government wish to mirror the measures in the proposed Regulation in GB, the Government would have to amend the legislation on DPCs.

MINISTERIAL RESPONSIBILITY

23. The Secretary of State for the Home Department is responsible for policy concerning DPCs.

INTEREST OF THE DEVOLVED GOVERNMENTS (DGs)

24. DPC regulation is not a devolved matter in relation to Scotland and Wales.

25. The UK Government considers that the licensing of DPCs in Northern Ireland (NI) is a devolved matter. Other aspects of DPC regulation in NI are reserved.

26. The Northern Ireland Executive (NIE) will have an interest in this proposal as it is EU legislation that will apply in NI under the Windsor Framework. The Home Office has engaged with NIE officials as part of this process since the publication of the proposed regulation and will remain in contact with them about this.

LEGAL AND PROCEDURAL ISSUES

27. The legislation would apply under Article 13(3) of the Windsor Framework to NI.

EU Legal base

28. The legal basis for the proposal is based on Articles 33, 114 and 207 of the Treaty on the Functioning of the European Union.

Voting procedure

29. The regulation would be subject to Qualified Majority Voting.

Timetable for adoption and implementation

30. There is, as yet, no published information on the likely timetable for the adoption of the proposed regulation. The Commission proposed the regulation on 4 December 2025, as the first stage in the legislative process. The co-legislators - the Council of the EU and the European Parliament - are yet to reach their positions. Once their positions are agreed, trilogue negotiations between the three institutions on the final text will begin. At the time of writing, the European Parliament had not assigned a rapporteur, and discussions in European Council working groups were in the early stages. Once agreed, the Regulation will enter into force 20 days after its publication in the Official Journal of the European Union, unless a date is specified within the text itself. It would then apply (if the relevant provisions of the proposed regulation remain unchanged) after three years, with the exception of the EU Drug Precursors Information Repository and certain procedural provisions, which would apply immediately, and the new rules for electronic notification of planned total quantities of DPCs for import and export and verification by customs authorities thereof, which would apply when the associated IT provisions are operational. The regulation would take direct effect in NI, but amendments would need to be made to the relevant domestic

implementing regulations[3] [4] [5]. As this proposal would repeal and replace both Regulation (EC) 273/2004 and Regulation (EC) 111/2005 with a single regulation, which includes significant changes to the original regulations, it is subject to the democratic scrutiny arrangements under schedule 6B to the Northern Ireland Act 1998.

POLICY AND LEGAL IMPLICATIONS

31. DPC regulation involves a balance between targeted measures to prevent the diversion of DPCs to produce illicit drugs and ensuring that barriers to legitimate trade are minimised. The new electronic system, the introduction of controls on imports and exports based on total quantities rather than individual transactions, and the removal of the 15-day PEN waiting period, which would be introduced by the proposal, could remove burdens on operators without compromising control. The powers for temporary seizures and the introduction of a simpler category system, with a clearer distinction between DPCs which have legitimate uses outside research and those which do not, may also provide clarity. The consolidation of two regulations into one could also make the process simpler for businesses and public authorities.

32. Regulation (EC) 273/2004 and Regulation (EC) 111/2005 are listed in Annex 2 of the Windsor Framework and thus apply to NI as per Article 5(4) of the Windsor Framework. As this proposal would repeal and replace both Regulation (EC) 273/2004 and Regulation (EC) 111/2005 with a single regulation, which includes significant changes, the proposal is subject to the democratic scrutiny arrangements under Schedule 6B to the Northern Ireland Act 1998.

33. There is already a degree of regulatory divergence between GB and NI in the regulation of DPCs, which the Government is taking steps to address. Ten DPCs and 14 associated chemicals are controlled in the EU/NI but not in GB. On 26 February 2026, the Government laid before Parliament draft regulations which correct a number of deficiencies arising from EU Exit. Those are unrelated to this proposed regulation. The main change would be to control the ten DPCs and 14 associated chemicals in GB, and allow Ministers to control others in GB in the future, enabling GB to remain aligned with NI. Those regulations are to be made under powers in section 14 of the Retained EU Law (Revocation and Reform) Act 2023 (“the 2023 Act”).

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[3] The Controlled Drugs (Drug Precursors) (Intra-Community Trade) Regulations 2008 https://www.legislation.gov.uk/uksi/2008/295/contents

[4] The Controlled Drugs (Drug Precursors) (Community External Trade) Regulations 2008 https://www.legislation.gov.uk/uksi/2008/296/contents

[5] The Controlled Drugs (Drug Precursors) (Intra-Community Trade and Community External Trade) Regulations 2010; https://www.legislation.gov.uk/uksi/2010/2564/contents/made

34. The powers to control new DPCs in GB, which the regulations to be made under the 2023 Act would introduce, would enable GB to continue to control the same DPCs as those controlled in NI/the EU.

35. In addition, companies are required to obtain (though not to pay for) import and export authorisations to move DPCs between GB and NI. This is necessary for both the UK and the EU to meet our respective international obligations under the 1988 Convention, further to the Withdrawal Agreement.

36. However, without additional changes to the DPC regulations in GB there will be new divergence in respect of the changes in categorisation and the new electronic processes introduced by this EU proposal. The Government will closely review the changes the EU is proposing and consider further once the shape of the final Regulation is clear.

37. If the Government decides it wishes to take a similar approach, it will be necessary to introduce new legislation to enable the adoption within GB domestic legislation of the measures in the proposed new EU Regulations, particularly given the proposed changes to the DPC categories. The Government will look to minimise regulatory divergence, but the mechanism for doing so would be subject to the regulations under the 2023 Act being made and the final text of the EU proposal being confirmed.

CONSULTATION

38. No consultation has been undertaken or is planned. Those affected would be a relatively small number of businesses in NI, and this proposal does not introduce new obligations on them but rather makes some amendments to existing processes. Changes such as the notification of total quantities of DPCs being imported and exported, rather than individual transactions, should be welcomed by businesses.

FINANCIAL IMPLICATIONS

39. There would likely be costs to the UK Government to implement measures supporting the regulation in NI. Additional costs would arise if similar measures were applied in GB to maintain a harmonised approach to DPC controls across the UK. A full assessment of potential costs to the Government and to DPC businesses would follow at the appropriate time.

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