

Amendment to GHG Quota Act sets precedent for fraud prevention

Berlin, 28 January 2026. The Union for the Promotion of Oil and Protein Plants (UFOP) welcomes the measures to tighten fraud prevention provided for in the draft bill on the further development of the GHG reduction quota. These include, in particular, the abolition of double counting and the requirement for on-site inspections by the competent authority. If confirmation of such an audit is not provided, or if an on-site inspection confirms a suspicion of fraud, these biofuel quantities cannot be counted towards the GHG quota obligation in accordance with the draft law. The associated sustainability certificate is practically worthless.

UFOP expects that the stricter requirements will prompt companies in the mineral oil industry that are subject to quotas to scrutinise their sources of supply even more closely than before. These measures are not least a result of the refusal of Chinese biofuel producers to investigate suspected fraud. UFOP expects a corresponding corrective effect, which is also necessary in order to restore product confidence among end customers and politicians as a result of the suspected cases that have become known in the EU and third countries.

The necessity of this is confirmed once again by a recent suspicion of fraud in Malaysia involving mislabelled waste oil from palm oil. UFOP therefore welcomes the end of the crediting of biofuels from residues from palm oil production, as provided for in the law, because the temptation is great and on-site control is difficult. UFOP calls on the German government to advocate for similar regulations at EU level, as member states are currently in the process of implementing RED III. In this context, UFOP is critical of the expansion of Annex IX Parts A and B of RED II to include raw materials from so-called intercropping. This is because the relevant EU regulation stipulates that member states regulate the verification requirements. From UFOP's point of view, this threatens to create a patchwork of regulations. In order to prevent circumvention, the UFOP emphasises the need for coordination among member states in the interests of EU-wide fraud prevention.

UFOP highlights the importance of fraud prevention in the development of the raw material composition for biodiesel and HVO. According to the Federal Office for Agriculture and Food (BLE), a total of 3.6 million tonnes (previous year: 3.9 million tonnes) of biofuels were placed on the market in 2024 for crediting towards the GHG reduction obligation. Of this, approximately 2.075 million tonnes were diesel-replacing biofuels (biodiesel, HVO), with waste oils and fats accounting for 82% of biofuels.



Union zur Förderung
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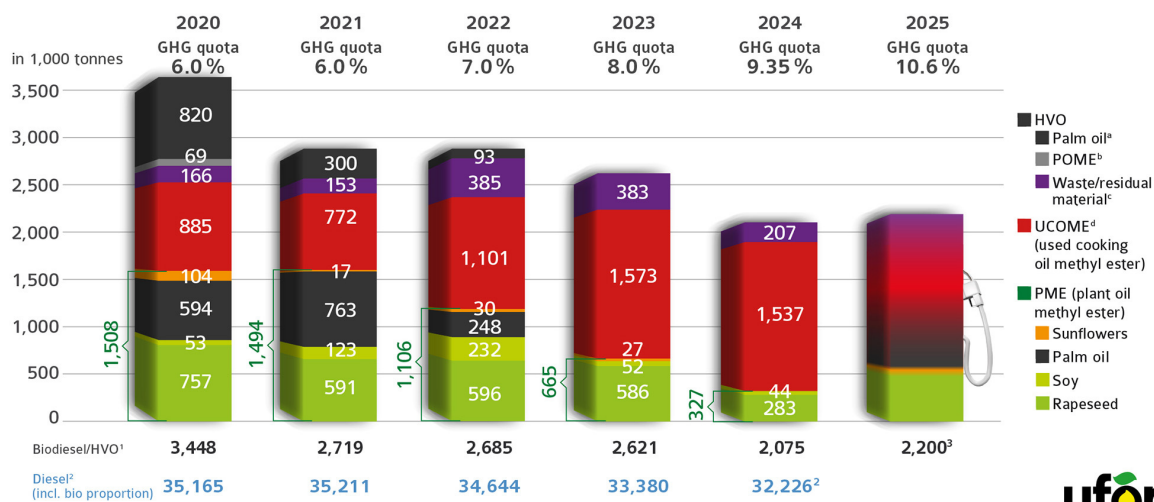
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INFORMATION
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Sales performance and raw material composition of biodiesel/HVO (GER)

Domestic consumption 2020 – 2025 (estimation for 2025) | Quota assessment¹



Sources: ¹ BLE [Federal Office for Agriculture and Food]: Evaluation and Progress Report 2024
^a incl. palm HVO made from co processing
^c from waste and residual material, sunflowers, rapeseed (incl. co-processed HVO)

² Projection based on BAFA statistics
^b HVO made from waste materials in the processing of palm oil (POME)
^d including FAME from waste and residual material

³ UFOP Estimation



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Quick information on UFOP e. V.:

The Union for the Promotion of Oil and Protein Crops e. V. (UFOP) represents the political interests of companies, associations and institutions involved in the production, processing and marketing of domestic oil and protein crops in national and international bodies. UFOP supports research to optimise agricultural production and for the development of new utilisation possibilities in the food, non-food and feed sectors. UFOP public relations aim to promote the marketing of domestic oil and protein crop end products.