



# Rules for the management of the UK's fisheries quotas in areas I, II, IV, VI and VII (and associated areas) and in Faroese waters (Vb) for 2014

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[www.dardni.gov.uk](http://www.dardni.gov.uk)



Marine  
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Llywodraeth Cymru  
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## 1. Introduction

1.1 These rules are published by the 4 UK fisheries administrations (FAs). They cover the management of UK fish quotas for International Council for the Exploration of the Sea (ICES) areas I, II, IV, VI, VII and associated areas, and Vb (Faroese waters) for which the UK receives a quota in EU legislation.

1.2 These UK rules implement the '2012 Concordat on Management Arrangements for Fishing Opportunities and Fishing Vessel Licensing in the United Kingdom' ([www.gov.uk/government/publications/concordat-on-management-arrangements-for-fishing-quotas-and-licensing-in-the-uk](http://www.gov.uk/government/publications/concordat-on-management-arrangements-for-fishing-quotas-and-licensing-in-the-uk)) as it relates to fish quotas. They are concerned with the:

- methods by which relevant UK fish quotas are apportioned among UK FAs
- administrative arrangements that will be operated on a UK basis

1.3 These UK rules are complemented by the rules of each FA. FA rules are mainly concerned with allocating quotas made available to the FAs by the UK.

1.4 These UK rules (and the rules of FAs) are administrative. They will be reviewed annually among FAs and in consultation with representatives of the fishing industry and other people with an interest before the start of each quota management year (which begins on 1 January). The FAs reserve the right, after consultation wherever possible, to depart from these rules, should the need arise.

## 2. Apportionment of UK quotas among fisheries administrations

### Description of method

2.1 The apportionment of quotas among FAs is done through a number of steps.

(a) The amount of each relevant quota to be apportioned among FAs will be decided by the UK government following consultation with the FAs and after the deduction of any amounts decided by the EU. Any quota not apportioned among the FAs will be allocated at the discretion of the UK Government.

(b) The amount to be apportioned among FAs will have any amounts for special allocations deducted from it. See [section 2.3](#) for more information about special allocations.

(c) The amount, less any special allocations, will then be divided further into 3 amounts assigned (only for allocation purposes) to groups:

- (i) the sector – vessels that are members of a producer organisation (PO), PO dummy licences and any fixed quota allocation (FQA) units from licence entitlements administratively linked to a PO using an AFL 8 form (these forms are sent to entitlement holders by MMO each January)
- (ii) the non-sector pool – over-10-metre vessels not members of a PO or attributed to a PO

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- (iii) 10-metres-and-under pool – 10-metres-and-under vessels that are not members of a PO

(d) The division in 2.1(c) will be done by dividing the amount between the 3 groups in proportion to the number of FQA units assigned to licences in each group – 10-metres-and-under pool FQA units are not associated with vessel licences but are held as a block by FAs. After this the amounts assigned to the non-sector and 10-metres-and-under pools will, if appropriate, be adjusted in line with underpinning arrangements. These arrangements are described in [sections 2.7 to 2.9](#).

(e) The adjusted amounts will be apportioned among the FAs in line with the following method:

- (i) the sector amount will be apportioned relative to the number of FQA units held for the stock on over-10-metre licences issued by each FA that are members of a PO and dummy licences held by POs on 1 January of the quota management year
- (ii) the non-sector amount will be apportioned relative to the number of FQA units held for the stock on over-10-metre licences issued by each FA that are not members of a PO on 1 January of the quota management year
- (iii) the 10-metres-and-under pool amount will, in general, be apportioned relative to recorded landings by 10-metres-and-under pool fishing vessels of each nationality in the period 2008 to 2012

(f) Each FA will be apportioned an amount of tonnes for the stock that is the sum of the 3 amounts. From this point on, FAs are responsible for allocating the amounts of quota provided to them by the UK government. FAs will provide spreadsheets showing how quotas have been allocated to POs and others with an interest.

(g) Where additional quota is obtained by the UK in year it will normally be distributed to FAs in line with this method. In-year reductions will be dealt with on their merits.

(h) For the purposes of the apportionment the Isle of Man and the Channel Islands will be treated as part of England.

### **Further notes on method**

#### **Hague Preference**

2.2 Where the UK obtains extra quota under Hague Preference<sup>1</sup> arrangements, these extra amounts will normally be added to the amount of quota to be apportioned

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<sup>1</sup> Hague Preference (HP) is a Common Fisheries Policy mechanism designed to adjust national fish quota allocations to take account of the needs of certain fisheries dependent areas in northern parts of the UK and in the Republic of Ireland. These arrangements can provide additional fishing opportunities to the UK and the Republic of Ireland when quotas for certain stocks fall below determined trigger levels. When either or both of the UK and Ireland gain from the operating of Hague Preference, this is at the expense of the other member states having quotas in the fishery concerned.



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among FAs see [section 2.1\(a\)](#). Where the UK proposes to proceed differently, it will consult with FAs before making a decision.

### **Special allocations**

2.3 There will be the following special allocations.

(a) South West mackerel handline fishery: landings by vessels fishing for west coast mackerel (MAC/2CX14) by handline in areas VIIe, f, g and h will count against this quota. If there is no agreement between UK FAs, the UK Fisheries Minister has decided this allocation will be 1,750 tonnes in 2014. The allocation will be made to the Marine Management Organisation (MMO).

(b) Area IVa 10-metres-and-under handline mackerel fishery: landings by 10-metres-and-under vessels authorised to fish by Marine Scotland for mackerel by handline in Area IVa will count against this quota. The allocation will be either 23.2% of the UK's initial quota for North Sea mackerel (MAC/2A34) each year or 300 tonnes, whichever is the greater amount. The allocation will be made to Marine Scotland.

(c) Mourne herring fishery (Area VIIa): the allocation will be either 0.8% of the UK's initial quota for herring Area VIIa Manx & Mourne (HER/07A/MM) each year or 30 tonnes, whichever is the greater. The allocation will be made to the Department of Agriculture and Rural Development Northern Ireland (DARDNI).

### **Assigning licences and FQA units to groups**

2.4 The following rules will apply for the purposes of assigning licences and FQA units to the groups referred to in 2.1(c). FQA units assigned to a fishing vessel licence will still be included when calculating the amounts to be allocated to the FA if licence has been:

- suspended by an FA,
- downgraded because of non-compliance with the economic link licence condition

### **FQA units**

2.5 FQA units perform a function in the apportionment of quotas between FAs. Assigning FQA units to licences is primarily based upon the catches of UK licensed fishing vessels during a reference period. The reference period for most quota stocks is 1994 to 1996. Other reference periods are noted in [Annex B](#).

2.6 FQA units may only be moved between licences where permitted by FAs. These arrangements are set out in guidance note FQA5<sup>2</sup>.

### **Underpinning arrangements**

2.7 As noted in 2.1(d), amounts of quota assigned to the non-sector and the 10-metres-and-under pools may be adjusted in line with underpinning arrangements. This is where there are guaranteed minimum levels of allocation.

2.8 The following non-sector stocks will be subject to a minimum shares system that takes account of the share of the UK quota attributable in 1994 to the non-sector –

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<sup>2</sup> [www.marinemanagement.org.uk/fisheries/management/forms/fqa5.pdf](http://www.marinemanagement.org.uk/fisheries/management/forms/fqa5.pdf)

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vessels that were not members of POs or in POs that did not take any sectoral management responsibilities as at 1 January 1994:

- North Sea cod, sole, plaice and whiting
- cod in areas VIIb to k
- plaice and sole in areas VIId, VIle and VIIf and g
- West of Scotland cod, nephrops and whiting

2.9 The procedure for calculating these minimum allocations is given at [Annex C](#).

2.10 The 10-metres-and-under pool stocks subject to a minimum shares system are:

- Area VII whitefish
- North Sea cod, sole, whiting
- West of Scotland nephrops

2.11 The minimum level for each stock will be a percentage of the UK quota equal to the average percentage share of initial allocations made to the 10-metres-and-under fleet from 1991 to 1993. These will apply to the share before applying penalty and compensation arrangements. Details of these percentage shares are set out in [Annex C](#). For certain other stocks there will also be minimum amounts, also shown in [Annex D](#).

### **New quotas**

2.12 Where new quotas are allocated to the UK, the FAs will generally seek to establish appropriate FQA units, following consultation with representatives of the fishing industry and any other interested parties.

### **Scientific quotas**

2.13 Scientific quotas will be apportioned among FAs in line with the method described at [section 2.1](#) above.

## **Arrangements for particular quota stocks and fisheries**

### **Area VIIa haddock**

2.14 This apportionment will be based on FQA units for Area VIIa cod and whiting.

### **North Sea herring industrial by-catch**

2.15 The UK's quota for this stock will not be apportioned between FAs but will be available as a by-catch to all suitably-licensed UK vessels subject to any conditions set out in the total allowable catches (TAC) regulations.

### **Faroese fishery**

2.16 Where an agreement is reached between the EU and Faroese government, access to this fishery will normally be restricted. Vessels nominated by their PO or group to their managing FA, subject to a limit on the number of licences available for vessels wishing to fish in Faroese waters. FAs will allocate the following quota stocks:

- cod or haddock (joint stock)

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- saithe
- others
- redfish
- ling or blue ling (joint stock)
- blue whiting

2.17 A UK allocation of Faroes flatfish will not be allocated to FAs.

### **Atlanto-Scandian herring fishery**

2.18 Access to this fishery will normally be restricted to those vessels nominated by their PO or group to their managing FA subject to a limit on the number of licences available for vessels wishing to fish in Norwegian waters.

### **Western mackerel flexibility**

2.19 The UK may catch part of its western mackerel (MAC/2CX14-) quota in ICES Area IVa (MAC/2A4A-N) for part of each year between 1 January and 15 February, and between 1 September and 31 December. The maximum quantity which may be taken by the UK will be apportioned among FAs pro rata to the overall allocation for Western mackerel. This will not apply to the group of vessels fishing the South West mackerel handline fishery.

### **Western hake flexibility**

2.20 The UK may take part of its western hake (HKE/571214) quota in areas VIIIa, b, d and e (HKE/\*8ABDE). This 'of which' permission will be apportioned pro rata to FAs' allocations of western hake. POs may also, with the approval of their managing FA, transfer all or part of their western hake allocation to be added to their North Sea allocation (HKE/2AC4-C).

### **Area VII skate flexibility**

2.21 Up to 5% of the UK's initial quota of skates and rays in EU waters of VIa, VIb, VIIa-c and VIIe-k (SRX/67AKXD) may be fished in EU waters of VIId (SRX/\*07D). The opposite is also the case and 5% of VIId (SRX/\*07D) can be fished in EU waters of VIa, VIb, VIIa-c and VIIe-k (SRX/67AKXD). This 'of which' permission will be apportioned pro rata among FAs' allocations of skates and rays.

### **Area IV and VI monkfish flexibility**

2.22 Up to 10% of the UK's North Sea monkfish (anglerfish) (ANF/2AC4-C) quota may be fished against its west of Scotland monkfish (ANF/\*56-14) allocation. This 'of which' permission will be apportioned among FAs pro rata to the landings of west of Scotland monkfish that was recorded by FA-registered vessels in the 3 previous quota management years. POs will apply to their managing FA to use the flexibility arrangement.

### **Area VII monkfish flexibility**

2.23 The UK may take up to 5% of its western monkfish (ANF/07) quota in areas VIIIa, b, d and e (ANF/\*8ABDE). This 'of which' permission will be apportioned pro rata to FAs' allocations of Western monkfish.

### **Area VII pollack flexibility**

2.24 The UK may take up to 2% of its Area VII pollack (POL/07) quota in Area VIIIabde (POL/\*8ABDE).

## **3. Managing producer organisations**

3.1 The 2012 concordat<sup>3</sup> confirms – in paragraph 2(f) – that POs may accept members from any part of the United Kingdom and may receive allocations of fish quota from any of the FAs.

3.2 As a result of the effective UK basis of POs, UK rules will govern their quota management responsibilities, though the fact that one of the FAs will be responsible for their day-to-day management and for deciding their continuing recognition under EC regulations (as noted in paragraph 14 of the concordat).

3.3 In particular, while allocating fish quotas is a devolved administrative function, managing quota uptake and connected matters will be administered on a UK basis through these rules and in practice by the FAs working together.

### **Granting sectoral quota management responsibilities to POs: PO responsibilities**

3.4 Further to their recognition as a PO under EC regulations, an FA may also grant a PO responsibility for sectoral quota management.

3.5 The grant and continuing responsibility for sectoral quota management responsibility will be subject to conditions.

(a) POs will have effective arrangements for monitoring landings by their members and for enforcing PO catch restrictions, including by imposing penalties on members in breach of those restrictions. POs will supply their managing FA with details of these arrangements, including copies of rules, and will notify them of changes.

(b) POs will provide information as the FA may decide with respect to their membership. Details of information required are at [Annex E](#). Where there is a conflict between POs claiming a particular vessel's membership and there is no completed documentary evidence, FAs reserve the right to apply special arrangements for attributing the FQA units of the vessel in question, until such time as the matter has been resolved to their satisfaction.

(c) POs will, on request from their managing FA, provide information about the landings of their vessels as the FA may specify. In particular, where it appears that the PO's allocation for a given quota stock risks being reached, the PO will, if requested by its managing FA submit information about landings within 2 days of landings having taken place.

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<sup>3</sup> [www.gov.uk/government/publications/concordat-on-management-arrangements-for-fishing-quotas-and-licensing-in-the-uk](http://www.gov.uk/government/publications/concordat-on-management-arrangements-for-fishing-quotas-and-licensing-in-the-uk)



(d) POs will submit any other information relevant to quota management in the form and at the time specified by FAs.

3.6 FAs will provide POs with official information about PO landings on a weekly basis and in more detail on request. POs should, as soon as they become evident, alert their managing FAs to any apparent discrepancies between official information and the PO's own records, so that they may be checked.

### **Landings made during a scientific survey**

3.7 In accordance with the terms of Article 33(6) of [Council Regulation \(EC\) No 1224/2009](#)<sup>4</sup> ('the control regulation'), catches taken in the framework of scientific research which are marketed and sold do not have to be counted against the relevant UK quotas provided that they do not exceed 2% of the quota – see article 33(6) of the control regulation.

3.8 Such catches will be authorised and monitored separately from the uptake of FA and PO allocations by the managing FA. Any catches in excess of those authorised which are marketed and sold will be counted against the appropriate allocation. Any proposal to fish quota stocks for scientific research purposes must be approved by the managing FA for the vessel.

### **Adjustments to landings data**

3.9 FAs will make adjustments to quota uptake (landings data) as soon as possible after it becomes apparent that landings have not been declared accurately. Where it is not possible to take account of the correct figures in-year for quota management purposes, like towards the end of the quota year, FAs will adjust the following year's allocation(s) for the relevant stock(s) of the PO to which the vessel belonged at the time of the landing in question.

3.10 Where adjustments to landings data are proposed, the owner of the vessel at the time of the landing in question will first be sent a letter by the relevant FA. This will set out the facts of the case and give them an opportunity to comment or make representations on the matter, normally within 3 weeks of the date of the letter. The letter will be copied to the vessel's PO at the time of the landing in question as any adjustment will be made to that PO's landings. Appeals will be dealt with within the FAs independently of those responsible for initially deciding on the case. If, having considered such representations, the FA is satisfied that reasonable grounds still exist for adjusting landings data, a letter confirming the adjustment will be sent to the master (copied to relevant PO).

### **Permission to hold dummy licences**

3.11 An FA may issue one or more dummy licences to a PO that it manages, to which it may assign FQA units.

3.12 Permission to hold such a licence is conditional upon providing the issuing FA information, in the form and detail prescribed, about the FQA units assigned to the

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<sup>4</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:343:0001:01:EN:HTML>

dummy licence. FAs will in particular require information about the people on whose behalf FQA units are assigned to the licence.

3.13 Where a PO does not, in the FA's opinion, fully comply with any request for information they issue, the FAs reserve the right to withhold allocations of fish quota from the PO. Amounts withheld may relate to particular FQA units on the dummy licence, or may relate to all or a percentage of the units assigned to the licence.

### **Moving over-10-metre vessels between POs during the quota management year**

3.14 POs must email FAs completed PO1 forms when a vessel joins or leaves a PO, copying the email to the vessel's port of administration. The form should be submitted within 2 weeks of a vessel joining or leaving a PO.

3.15 Where a vessel leaves a PO to join another, its landings will continue to be attributed to the PO it is leaving until such time as FAs receive a PO1 form from both POs involved. The vessel will not be re-licensed until FAs receive both PO1 forms and will not be entitled to fish because the licence will now be invalid due to its change of PO.

3.16 All landings will normally be attributed to the PO the vessel is a member of at the date of landing. FAs reserve the right to attribute the landings from any voyage to the PO the vessel was a member at the start of the voyage.

### **Fishery closures**

3.17 Where FAs consider that a PO has taken in full its allocation for a quota stock, the managing FA will normally consult the PO before the fishery is closed to its members. FAs will work together to close the fishery to all members. Any closure will apply to all members, both over-10-metres and 10-metres-and-under, fishing against the PO's allocation for the stock.

## **4. Fisheries administrations' quota allocation groups**

4.1 FAs may establish quota allocation groups that are only open to fishing vessels that they license. These groups are referred to in these rules as 'FAs' quota allocation groups' and may include 10-metres-and-under vessels of a given nationality.

4.2 The conditions under which fishing vessels may be admitted to FA quota allocation groups that are only open to licensees of that FA will be decided by FAs in their quota management rules.

4.3 Where a PO wishes to make use of the facility described at section 7b of the 2012 concordat<sup>5</sup> of reporting separately for quota uptake purposes to each FA that it receives quota, then each sub-group of national vessels in its membership will be

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<sup>5</sup> [www.gov.uk/government/publications/concordat-on-management-arrangements-for-fishing-quotas-and-licensing-in-the-uk](http://www.gov.uk/government/publications/concordat-on-management-arrangements-for-fishing-quotas-and-licensing-in-the-uk)

treated as a FA quota allocation group. POs must apply to make use of this facility no later than 30 November in the year before the relevant quota management year.

### **Moving vessels between FAs' quota allocation groups during the quota management year**

4.4 Where over-10-metre vessels move from one FA's quota allocation group to a group established by a different FA, then the exporting FA will transfer an amount of quota that is equivalent to that notionally or actually assigned to that licensee during the allocation process described at [section 2.1\(e\)](#) to the importing FA. This will be less any landings that it has made up to that point. If for any stock its landings exceed that quota value, it will for the remainder of that year be prohibited from landing that stock.

4.5 The amount to transfer may be adjusted to take account of any reassigned quota share that may have taken place under exporting FA's management arrangements. The exporting FA will inform the importing FA of any necessary adjustment at the time that the vessel changes nationality.

4.6 The importing FA may limit accepting any vessel into any pool arrangements to fish for stocks covered by its pool in the absence of the vessel obtaining the appropriate fishing licence from the importing FA.

### **Moving vessels from an FA allocation group to a PO during the quota management year**

4.7 Where a fishing vessel wishes to leave a FA quota allocation group to join a PO, it will be for the PO to decide whether or not to accept the applicant.

4.8 Where a fishing vessel moves from a FA allocation group to a PO, the exporting FA will decide what, if any, amount of quota notionally or actually assigned to that licensee during the apportionment process described at [section 2.1\(e\)](#) will transfer to the importing PO.

### **Fishery closures**

4.9 FAs will close FA quota allocation groups to fisheries to prevent overfishing.

## **5. Domestic quota swaps and transfers**

5.1 POs and FAs may swap quotas allocated to them. The minimum quantity of a stock which may be swapped or transferred will be 100kg (0.1 tonne).

5.2 Swaps are subject to agreement by the managing FA(s). FAs will not, in particular, approve a swap that would leave a PO with a negative allocation or an overfish. Where one or both of the parties wishes to cancel an approved swap, a further swap form, authorised by both parties, must be submitted to the managing FA(s), reversing the original swap.

5.3 A PO or an FA will not normally be permitted, before the issue of final allocations, to swap out more than 70% of its initial allocation for the previous year multiplied by the percentage change in UK quota compared with the previous year.

5.4 For stocks that incorporate an 'of which' allocation provision, swaps and transfers may relate to the main stock and/or to the 'of which' element. A transfer involving only the 'of which' element does not change the quotas for the main stock, but adjusts the relative amounts which can be taken in the 'of which' area. In submitting swap requests for such stocks FAs and POs must make the exact nature of the transfer clear.

## **6. In-year international quota swaps and transfers**

6.1 This section relates to in-year international quota swaps and transfers between the UK and other EU member states for the stocks covered by these rules.

### **General**

6.2 In considering proposals for international swaps, the UK will assess whether swaps are in the best interest of the UK. MMO will perform administrative functions for the UK, but all 4 UK FAs will work together to assess UK interests.

### **Procedure**

6.3 The UK will confirm all swaps with other member states in consultation with the FAs and POs. Individual FAs and POs may initiate international swaps, subject to these being confirmed by the UK and the relevant authorities of EU member state(s) involved.

### **Swaps initiated by the UK or other member state**

6.4 Where a swap is proposed by the UK or an acceptable proposal is received from another EU member state, POs will be invited to participate in the swap by contributing to the UK stocks being given up. POs will also have the opportunity to match the swap – to match the terms offered by the member state concerned – where specified by the UK.

6.5 Where bids do not exceed the tonnage offered, fish gained through swaps will normally be allocated directly by the UK to those POs contributing to the swap, in line with their bid. FAs will not approve a bid that would leave a PO with a negative allocation or overfish.

6.6 Where proposed contributions exceed the tonnage offered, the UK will scale back bids on the basis of each bidding PO's percentage share of the total proposed outgoing quota.

6.7 Where a swap is concluded by the UK for the benefit of the entire UK fleet, incoming quota will normally be apportioned to FAs under the same principle as quota allocations. Individual FAs may opt to allocate the incoming quota as they fit.

6.8 Other methods of distribution may be used if this is judged to be in the UK's interest.

6.9 The UK will write to POs to explain the outcome and distribution of incoming quota.

### **Swaps initiated by individual FAs or POs**

6.10 Where a PO informs the UK and/or its managing FA of a proposed international quota swap (IQS) or transfer, MMO, in consultation with FAs, will satisfy itself that the IQS or transfer is in the UK's interest.

6.11 If it is deemed so, the UK or the appropriate FA will then seek agreement from the other member state that they are content to proceed with the IQS or transfer. If it does proceed, the brokering FA or PO will receive the full benefit of the swap. FAs or POs brokering swaps will be required to state which other, if any, FAs or POs will benefit from the incoming quota, on application.

6.12 Where an IQS is instigated by an FA on behalf of their non-sector or 10-metres-and-under pool, it will inform the UK and other FAs.

6.13 No single FA, except MMO, will have the power to deny an IQS instigated by another FA.

6.14 MMO will inform individual FAs and POs of completed IQSs – following quota amendments on the Fisheries Data Exchange System (FIDES). This communication will include details of all beneficiaries where this is available.

### **Other points**

6.15 Proposals to lease or purchase quota from groups in other member states will be subject to consideration by the UK.

6.16 It will not normally be permitted to gift (give away) quota to other member states. Such gifts may only be authorised by the UK when judged in the interests of the UK and where the UK is satisfied that the gifted fish would not normally be taken by the UK fleet.

6.17 Any gifts of quota from other member states will be distributed by the UK as it sees fit. They will normally be distributed to FAs in line with the allocation method described in [section 2.1\(e\)](#).

## **7. Unauthorised fishing and penalties**

7.1 This relates to unauthorised fishing and the penalty and compensation arrangements that may apply when it takes place. It is also about circumstances where there is no unauthorised fishing but where prejudice has been caused.

7.2 This deals with unauthorised fishing and other circumstances in relation to:

- the combined (aggregate) landings of each FA's quota allocation groups
- POs that elect to manage their allocations from FAs collectively

7.3 As an exception to the general approach of these rules, the UK government can directly adjust POs' allocations as well as FAs.



## Deductions from FA and PO quota allocations

### Deductions where there is unauthorised fishing

7.4 The final weekly spreadsheets for this quota year will be considered to decide whether unauthorised fishing has taken place. Any uptake of a stock over 100% of a PO or quota allocations groups' adapted (end-year) total quota that has not requested to borrow the stock will be considered unauthorised fishing. Where such unauthorised fishing has taken place, minimum deductions will be applied.

Overfish (as a percentage of end year quota)	Minimum deductions
Up to and including 5%	Overfishing x 1.1
Over 5% up to and including 10%	Overfishing x 1.2
Over 10% up to and including 20%	Overfishing x 1.3
Over 20% up to and including 40%	Overfishing x 1.5
Over 40% up to and including 50%	Overfishing x 1.9
Over 50%	Overfishing x 2.0

7.5 The UK will deduct amounts of quota as are necessary from relevant FAs and/or POs so as to ensure compliance with any penalties imposed upon the UK by the EU and to provide any compensation deemed necessary to FAs and/or POs that have suffered prejudice.

7.6 Where there is overfishing by a FA's quota allocation group, the UK will make deductions from the quota allocated to the FA.

7.7 Where there is overfishing by a PO, the UK will make deductions from the quota allocated to the PO by the FA(s).

7.8 Where the deduction exceeds an FA's or a PO's allocation, deductions will be made over future years until the amount has been cleared. The UK also reserves the right to make deductions in another stock.

### Deductions where there is no end-year overfish

7.9 Deductions may also be applied where there is no end-year overfish, but where the actions of a PO or an FA's quota allocation groups result in the need for a UK closure to the relevant quota stock.

7.10 If this happens, FAs will write to all POs and other interested parties at the time of the UK closure to explain the reasons for it and, if appropriate, identify the PO(s) or FA group(s) that caused it. The PO(s) or FA(s) responsible will be informed that, irrespective of their reducing or wiping out any overfish by year-end, they will receive deductions as are seen as necessary to compensate any POs or FA groups that were prevented from taking their allocation in full due to the closure.

7.11 Where a UK closure is temporary and the closed fishery reopened before year-end, POs or FAs unable to take their full quota by year-end may receive compensation calculated against their likely level of uptake. This will be based on fishing patterns in previous years and calculated for the period of closure, up to a maximum of their end-of-year underfish. Cases will be considered on their merits

and be subject to the timing of such a closure. A temporary closure of 2 weeks or fewer before 15 November is unlikely to merit compensation.

### **Using deducted quota**

7.12 Deductions made from FAs and/or POs will be used to comply with penalties imposed upon the UK and to provide compensation to FAs and/or POs that are judged to have suffered prejudice.

7.13 Where residual quota remains following the distribution of quota for compensation such amounts will in general be allocated to FAs in line with the method of apportionment described in section 2.1 (v) above, except that FQA units assigned to POs and FA allocation groups that have been identified as overfishing or otherwise causing prejudice will be disregarded.

## **8. Banking and borrowing of quotas**

8.1 Banking is transferring uncaught amounts of fish quota from the current year to be caught in the next year. Borrowing is using catching quota from next year in the current year. This flexibility is provided for in EC regulations, subject to limitations. Banking and borrowing involves the UK government directly adjusting the allocations of POs as well as FAs. MMO will inform UK POs and others each year which stocks may be banked and borrowed once these details are available.

### **Banking**

8.2 For eligible stocks, the UK may bank up to 10% of its final quota or its remaining uncaught quota, whichever is the lesser amount. The UK does not invite bids from FAs or POs. The UK submits a request to bank up to the maximum allowable amount for all bankable stocks to the European Commission by 31 October

8.3 To allocate quota to FAs and POs that the UK is able to bank from the current year into the next the UK will:

- (a) identify POs and FA allocation groups (in aggregate) whose end-year uptake is less than 100%
- (b) for each qualifying PO and FA allocation group end year landings in the year from which quota is to be banked will be multiplied by end-year percentage uptake in that year – this calculation will create an index of tonnage from which pro-rata PO and FA allocation group shares will be calculated and allocated by the UK directly (see Annex F for an example of banking)

8.4 POs and FA allocation groups that landed quota borrowed from the next year will not be eligible to receive banked quota in that year.

8.5 Windfall banking is any banked quota granted by the Commission in excess of that expected. The UK FAs will decide how to treat such windfalls. The windfall, if used, will normally be allocated among FAs based on the methodology outlined in [section 2.1\(e\)](#).

## **Borrowing**

8.6 Member states may exceed their adapted (end-year) quota by 5% for eligible stocks under the arrangements set out in [Council Regulation \(EC\) No 847/96](#)<sup>6</sup>. A similar approach will normally be taken by the FAs in relation to POs or quota allocation groups that have applied to borrow by the deadline specified by FAs (see paragraph 8.8 below).

8.7 The UK FAs expect that, following the conclusion of EU-Norway talks, the same stocks will be subject to borrowing up to 10% during 2014 as were allowed in 2013. UK FAs will contact industry groups with further advice on this matter once clarification from the European Commission is issued. The 5 stocks concerned for which the UK receives a quota are:

- North Sea haddock (HAD/2AC4)
- Northern blue whiting (WHB/1X14)
- North Sea mackerel (MAC/2A34)
- Western mackerel (MAC/2CX14-)
- Atlanto-Scandian herring (HER/1/2-)

8.8 FAs will write to POs in mid-September to invite applications from POs to borrow quota from next year to use in the current year. The deadline for responses will be mid-October. See [section 7.4](#) for a description of unauthorised fishing penalties.

8.9 Where landings are made against borrowed quota, the tonnage landed will be removed from the allocation for that quota group in the following year.

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<sup>6</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:1996R0847:20100101:EN:HTML>

## Annex A: Apportionment of 10-metres-and-under pool quotas

This table shows how 10-metres-and-under pool quota amounts will be apportioned in terms of percentage share between the fisheries administrations – further to rule 2.1(e) (iii).

Quota	Percentage share			
	England	Scotland	Wales	Northern Ireland
Anglers VII	97.0	0.6	1.6	0.8
Cod VIIa	70.0	5.9	10.6	13.5
Cod VIIb-k (excluding d)	97.2	0.7	1.9	0.2
Cod VIId	98.7	0.6	0.5	0.2
Haddock VIIa	44.3	1.4	15.1	39.2
Haddock VIIb-k	98.5	0.4	0.5	0.7
Herring IVc, VIId	98.6	0.5	0.0	0.9
Herring VIIef	96.4	0.0	3.6	0.0
Herring VIIg-k	10.6	0.0	89.4	0.0
Ling (IV)	80.5	18.8	0.6	0.0
Ling (VI-XIV)	99.1	0.4	0.3	0.2
Megrim VII	93.4	0.3	0.2	6.1
Nephrops VII	32.5	6.2	0.4	60.9
North Sea anglers	88.2	10.9	0.9	0.0
North Sea cod	91.5	7.6	0.5	0.4
North Sea dabs and flounder	99.1	0.5	0.4	0.0
North Sea haddock	92.3	5.9	1.8	0.0
North Sea hake	98.8	0.5	0.6	0.0
North Sea lemon sole and witch	96.5	2.6	1.0	0.0
North Sea mackerel	5.4	94.2	0.4	0.0
North Sea megrim	3.8	96.2	0.0	0.0
North Sea nephrops	50.9	48.6	0.5	0.0
North Sea plaice	94.2	4.9	0.8	0.0
North Sea saithe	43.8	56.2	0.0	0.0
North Sea skates and rays	97.0	2.0	0.6	0.3
North Sea sole	98.7	0.2	1.0	0.1
North Sea sprat	100.0	0.0	0.0	0.0
North Sea turbot and brill	98.0	1.4	0.5	0.0

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Quota	Percentage share			
	England	Scotland	Wales	Northern Ireland
North Sea whiting	97.5	1.1	1.4	0.0
Plaice VIIa	70.5	5.3	18.1	6.0
Plaice VIIde	97.8	0.7	1.4	0.1
Plaice VIIfg	66.4	0.0	29.0	4.6
Pollack VII	98.7	1.0	0.2	0.1
Saithe VII	98.6	0.1	1.3	0.0
Skates and rays VI and VII (excluding VIIId)	82.4	1.1	15.4	1.1
Skates and rays VIIId	97.9	0.6	1.5	0.0
Sole VIIa	60.8	1.6	30.2	7.4
Sole VIIId	98.1	1.1	0.8	0.0
Sole VIIe	97.1	1.6	1.2	0.1
Sole VIIfg	75.4	0.0	23.9	0.7
Sprat VIIde	99.0	0.8	0.2	0.0
West coast mackerel	70.0	18.8	1.8	9.4
West coast nephrops	4.1	92.8	1.7	1.5
Whiting VIIb-k	96.8	0.5	2.0	0.7
West of Scotland cod (Vb, VIa)	16.4	68.7	0.0	14.8
West of Scotland haddock VIa, Vb	1.6	85.6	0.0	12.9
West of Scotland hake (including VIIlabde)	88.6	3.7	1.4	6.4
West of Scotland megrim	0.0	100.0	0.0	0.0
West of Scotland anglers	1.2	33.0	6.6	59.2
West of Scotland plaice	4.6	63.3	0.0	32.1
West of Scotland pollack	0.4	96.9	0.0	2.7
West of Scotland sole	3.4	18.8	0.0	77.7
West of Scotland whiting	0.0	100.0	0.0	0.0



## Annex B: Fixed quota allocation units reference periods

Fixed quota allocation (FQA) units have been based primarily on landings during the reference period 1994 to 1996. This table shows where different reference periods have been used.

<b>Stock</b>	<b>Reference period</b>
Faroes whitefish	1996 to 2000
Faroes ling or blue ling	2000 to 2002
Atlanto-Scandian herring	1998 to 2000
Allocated deep sea stocks	1999 to 2001
Deep sea shark in ICES areas V, VI, VII, VIII, IX	2003 to 2004
Forkbeard in ICES areas V, VI, VII	2003 to 2004
Tusk, anglerfish, ling and Nephrops in ICES Area IV (Norwegian waters)	2002 to 2004
Greenland halibut in ICES areas IIa (EC), IV, VI (EC and international waters)	2000 to 2004
Boarfish in ICES areas V, VI and VII	2010

## **Annex C: Arrangements for underpinning (non-sector)**

The detailed methodology used is as follows.

### **Initial underpinned quota shares calculation**

The 1991 to 1993 track records for all vessels included in the 1994 allocations exercise formed the base data for assessing the underpinning levels.

(a) For the non-sector, the qualifying vessels for each stock were identified by establishing a minimum qualifying track record. The level of this was set so that the combined track records of all qualifying vessels formed about 95% of the total non-sector track record for that stock.

(b) The qualifying vessels for 1994 were broken down into 3 length groups based on their overall length:

- less than 40 feet (12.2 metres)
- 40 to 60 feet (12.2 to 18.29 metres)
- over 60 feet (18.3 metres and over)

(c) In each of the length groups, and for each stock, the total track records for all UK vessels and the track record for just the 'pure' non-sector vessels were calculated. The quota share for each vessel for each length group was then calculated using the following formula:

$$(P / T) / N$$

Where

P = 'Pure' non-sector track record for length group – the 'pure' non-sector excluded vessels in membership, at 1 January 1994, of producer organisations which fished against non-sector allocations for the stock in question

T = Total track record for all UK vessels irrespective of length group

N = Number of qualifying vessels in the length group.

### **Underpinned share for the current quota year calculation**

(d) For each underpinned stock, the track records for the previous 3 years of licensed vessels in the non-sector at 1 January of the quota year will be used to identify the number of qualifying vessels for each length group by applying the same qualifying track record as used for the base-year.

(e) The underpinned quota share for each length group will then be calculated by multiplying the quota share per vessel by the number of qualifying vessels at 1 January of the quota year. The shares for each group are added together to obtain an overall share figure for the non-sector.

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The qualifying track records mentioned at (b) and the quota shares for each vessel mentioned at (d) are below.

### Underpinning of non-sector allocations

#### Qualifying track records and quota shares for each vessel

Stock	Qualifying track record (tonnes)*	Length band		
		Under 40 feet	Between 40 and 60 feet	Over 60 feet
		Quota share per vessel (per cent)		
<b>North Sea</b>				
<b>Cod</b>	6	0.02	0.03	0.04
<b>Plaice</b>	6	0.03	0.04	0.19
<b>Sole</b>	1	0.08	0.16	0.16
<b>Whiting</b>	2	0.01	0.01	0.04
<b>West of Scotland</b>				
<b>Cod</b>	1.5	0.03	0.04	0.06
<b>Nephrops</b>	10	0.13	0.26	0.15
<b>Whiting</b>	3	0.14	0.15	0.18
<b>Area VII</b>				
<b>Cod VIIb-k</b>	1.5	0.11	0.12	0.16
<b>Plaice VIIde</b>	2	0.17	0.18	0.10
<b>Plaice VIIfg</b>	0.65	0.44	0.63	0.42
<b>Sole VII d</b>	0.5	0.16	0.13	0.11
<b>Sole VIIe</b>	0.25	0.07	0.1	0.1
<b>Sole VIIfg</b>	0.3	0.18	0.25	0.14

\* Represents the minimum total tonnage those vessels in the non-sector at 1 January 1994 caught during 1991 to 1993, which in the previous 3 years collectively accounted for 95% of total non-sector landings.

## Annex D: Arrangements for underpinning (10-metres-and - under)

Stock	Floor percentage	Fixed minimum tonnage
<b>North Sea</b>		
Cod	4.50	-
Haddock	-	100
Whiting	0.33	-
Saithe	-	20
Plaice	-	-
Sole	9.81	-
Hake	-	-
Nephrops	-	-
Norway others	-	-
<b>West of Scotland</b>		
Cod	-	10
Haddock	-	10
Whiting	-	10
Saithe	-	5
Plaice	-	5
Sole	-	-
Anglers	-	5
Nephrops	9.56	-
Megrim	-	5
Pollack	-	5
<b>Area VII</b>		
Sole VIIa	9.00	-
Sole VIId	34.80	-
Sole VIle	5.20	-
Sole VIIfg	8.10	-
Sole VIIhjk	0.00	-
Plaice VIIa	4.60	-
Plaice VIIde	21.00	-
Plaice VIIfg	18.70	-
Plaice VIIhjk	0.00	-
Cod VIIa	1.60	-

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<b>Stock</b>	<b>Floor percentage</b>	<b>Fixed minimum tonnage</b>
Cod VIIb-k	25.70	-
Cod VIId	25.70	-
Cod VIIb-k (excluding VIId)	25.70	-
Whiting VIIa	1.40	-
Whiting VIIb-k	12.00	-
Saithe	1.90	-
Anglers	5.10	-
Megrim	1.50	-
Haddock	3.30	-
Hake	1.00	-
Pollack	10.90	-
Nephrops	0.70	-



## **Annex E: Producer organisation membership lists**

1. Fisheries administrations (FAs) will consult producer organisations in January 2014 to verify that FA records correctly reflect PO membership, to ensure that:

- vessels receive the correct licence
- quota allocations are based on accurate data in respect of membership at 1 January (and other relevant factors, such as the attribution of licence entitlements)

2. These consultations will take the form of various lists which contain details of member vessels and licence entitlements. For each entry in all the lists, the licence number and the associated vessel's name, registration number (RSS) and port letter and number (PLN) is required.

3. All such, lists will be exchanged in computer readable form.

### **Licensing lists required by January for quota allocation purposes**

4. FAs will issue full licensed vessel lists to groups in early January which will reflect group membership as at 1 January. This list will be known as 'List 1'.

5. POs will be required to examine these lists and report any discrepancies with supporting documentary evidence to the managing FA within 2 weeks of receiving the list. FAs will use this information to update central vessel lists for the purpose of issuing licences for the relevant year but only where completed PO1 forms have been received from both groups involved dated prior to 1 January.

6. FAs will issue final licensed vessel lists to groups to include any agreed amendments by the last week in January. This list will be known as 'List 2'.

7. Further alterations to FAs' records of membership will be considered after the dates set out in this annex only in exceptional circumstances.

8. POs are reminded that this end-year exercise does not override the requirement to notify FAs immediately of all individual movements of vessels during the year by means of the form PO1<sup>7</sup>.

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<sup>7</sup> [www.marinemanagement.org.uk/fisheries/management/forms/po1.pdf](http://www.marinemanagement.org.uk/fisheries/management/forms/po1.pdf)

## Annex F: Banking example

The example below shows illustrative figures for 8 dummy producer organisations (PO) and the fisheries administration allocation groups for the non-sector and the 10-metres-and-under pools. All quota amounts are in tonnes (t). For those quota groups eligible to bank, the index has been applied which is simply their landings multiplied by their percentage uptake. For example, PO2's index of 32,000 accounts for 17.2% of the 185,600 total. So PO2 gets 17.2% of UK banking.

		End-year quota (t)	End-year catch (t)	Uptake (%)	Eligible for banking?	Index	Index share (%)	Banking amount (t)
PO1		1,000	1,000	100	No			
PO2		500	400	80	Yes	32,000	17.2	112.9
PO3		2,000	800	40	Yes	32,000	17.2	112.9
PO4		400	100	25	Yes	2,500	1.3	8.8
PO5		1,000	900	90	Yes	81,000	43.6	285.9
PO6		200	100	50	Yes	5,000	2.7	17.6
PO7		500	600	120	No			
PO8		50	45	90	Yes	4,050	2.2	14.3
Non sector	England	400	100	25	Yes	2,500	1.3	8.8
	Wales	0	0		No			
	Scotland	200	120	60	Yes	7,200	3.9	25.4
	Northern Ireland	0	0		No			
Under 10m	England	100	90	90	Yes	8,100	4.4	28.6
	Wales	0	0		No			
	Scotland	200	150	75	Yes	11250	6.1	39.7
	Northern Ireland	0	0		No			
<b>UK total</b>		<b>6,550.0</b>	<b>4,405</b>	<b>67.3</b>		<b>185,600</b>	<b>100</b>	<b>655</b>