

**2018 No. 0000**

**EXITING THE EUROPEAN UNION**

**AGRICULTURE**

**The Common Agricultural Policy (Direct Payments to Farmers)  
(Amendment) (EU Exit) Regulations 2018**

<i>Sift requirements satisfied</i>	2018
<i>Made - - - -</i>	2018
<i>Laid before Parliament</i>	2018
<i>Coming into force in accordance with regulation 1</i>	

The Secretary of State makes these Regulations in exercise of the powers conferred by section 8(1) of, and paragraph 21 of Schedule 7 to, the European Union (Withdrawal) Act 2018(a).

The requirements of paragraph 3(2) of Schedule 7 to the European Union (Withdrawal) Act 2018 (relating to the appropriate Parliamentary procedure for these Regulations) have been satisfied.

**Citation and commencement**

1. These Regulations may be cited as the Common Agricultural Policy (Direct Payments to Farmers) (Amendment) (EU Exit) Regulations 2018 and come into force on exit day.

**Amendment of Regulation 1307/2013**

2. Regulation (EU) 1307/2013 of the European Parliament and of the Council of 17 December 2013 is amended as follows.

**Amendment of Title 1 (Scope and definitions)**

- 3.—(1) In Article 1, in point (b)—
- (a) in point (i), omit “and a transitional” to the end;
  - (b) omit points (ii), (v), (viii), (ix) and (x).
- (2) Omit Article 3.
- (3) In the first subparagraph of Article 4(1)—
- (a) in point (a)—
    - (i) omit “by national law”;

- (ii) for the words from “territorial” to “TFEU” substitute “United Kingdom”;
- (b) in point (b), for “territory of the same Member State” substitute “United Kingdom”;
- (c) in point (c)—
  - (i) in point (ii), for the words from “Member States” to “Commission” substitute “the relevant authority on the basis of the framework set out in Article 4 of Regulation (EU) 639/2014”;
  - (ii) in point (iii) for “Member States” substitute “the relevant authority”;
- (d) in point (d), omit “as well as cotton”;
- (e) in point (h)—
  - (i) for “as well as, where Member States so decide”, substitute “and, where the relevant authority so decides”;
  - (ii) for “Member States so decide”, in the second place it occurs, substitute “the relevant authority so decides”;
  - (iii) for “Member States”, in the last place it occurs, substitute “The relevant authority”;
- (f) in point (i), for “Member State” substitute “United Kingdom”;
- (g) in point (k)—
  - (i) omit “of CN code 0602 90 41”;
  - (ii) omit “to be” in both places it occurs;
  - (iii) for “Member States”, in the first place it occurs, substitute “the relevant authority”;
  - (iv) for “Member States”, in the second place it occurs, substitute “relevant authority”;
- (h) after point (n) insert—
  - “(o) “constituent nation” means England, Wales, Scotland or Northern Ireland, as the case may be;
  - (p) “national reserve” means a reserve established by the relevant authority at the level of the constituent nation;
  - (q) “regional reserves” means reserves established by the relevant authority at regional level;
  - (r) “relevant authority” means—
    - (i) in relation to England, the Secretary of State;
    - (ii) in relation to Wales, the Welsh Ministers;
    - (iii) in relation to Scotland, the Scottish Ministers;
    - (iv) in relation to Northern Ireland, the Department of Agriculture, Environment and Rural Affairs”.
- (4) In the second subparagraph of Article 4(1)—
  - (a) for “Member States” substitute “a relevant authority”;
  - (b) for “have”, in the first place it occurs, substitute “has”.
- (5) In Article 4(2)—
  - (a) for the first subparagraph substitute—
    - “For the purposes of point (c) of paragraph 1:
    - (a) the criteria to be met by farmers in order to fulfil the obligation to maintain an agricultural area in a state suitable for grazing or cultivation, as referred to in point (c)(ii) are the criteria set by the relevant authority prior to exit day;
    - (b) where applicable in a constituent nation, the minimum activity to be carried out on agricultural areas naturally kept in a state suitable for grazing or cultivation, as referred to in point (c)(iii) is as defined by the relevant authority prior to exit day.”;

- (b) in the second, third and fourth subparagraphs, for “Member States”, in each place it occurs, substitute “The relevant authority”;
- (c) for the last subparagraph substitute—

“This paragraph only applies where the decisions to which it refers were made and notified to the Commission by:

- (a) 31st January 2015, in the case of a decision taken under the second subparagraph;
- (b) 31st March 2018, in the case of a decision taken under the third or fourth subparagraph.”.

#### **Amendment of Title 2 (General provisions on direct payments)**

##### **4.—(1) For Article 6(1) substitute—**

“1. For each year, the national ceiling for the United Kingdom comprising the total value of all allocated payment entitlements, of all national reserves and regional reserves and of all the ceilings calculated in accordance with Articles 42, 47, 51 and 53 is as set out in Annex II.

Where a relevant authority makes a decision under Article 22(2) to increase the amount which represents its share of the basic payment scheme ceiling, the national ceiling set out in Annex II for the United Kingdom for the respective year may be exceeded by the sum of the increases decided pursuant to that Article in respect of that year.”.

##### **(2) Omit Article 6(2).**

##### **(3) In Article 7(1)—**

- (a) for “a Member State”—
  - (i) in the first place it occurs, substitute “the United Kingdom”;
  - (ii) in the second place it occurs, substitute “a constituent nation”;
- (b) after “higher than”, in the second place it occurs, insert “its share of”;
- (c) for “that Member State” substitute “the relevant authority”;
- (d) omit the words from “with” to the end.

##### **(4) For Article 7(2) substitute—**

“2. For each calendar year, the estimated product of the reduction of payments referred to in Article 11 (which is reflected by the difference between the national ceiling set out in Annex II and the net ceiling set out in Annex III) shall be made available as support for measures under rural development programming financed as part of the core contribution as specified in Article 58(6) of Regulation (EU) No 1305/2013.”.

##### **(5) In Article 9—**

- (a) in paragraph 1, for “Member States” substitute “the relevant authority”;
- (b) in paragraph 2—
  - (i) for the second subparagraph substitute—

“Nothing in this Regulation prevents the relevant authority from adding to the list in the first subparagraph any other similar non-agricultural businesses or activities or from removing any such additions, provided that any such additions and removals are appropriate and made on the basis of objective and non-discriminatory criteria.”;

- (ii) in the third subparagraph, for “Member States” substitute “the relevant authority”;
- (c) in paragraph 3, for the words from the beginning to “decide” substitute “Nothing in this Regulation prevents the relevant authority from deciding”;
- (d) in paragraph 3a, for the words from the beginning to “decide” substitute “Nothing in this Regulation prevents the relevant authority from deciding”;

(e) for paragraph 4 substitute—

“4. Paragraphs 2, 3 and 3a do not apply to farmers who received direct payments for the previous year, if the amount of those direct payments was no more than the amount set by the relevant authority in accordance with this Regulation prior to exit day.”

(f) omit paragraph 6;

(g) in paragraph 7—

(i) for the words from the beginning to “year”, in the first place it occurs, substitute “Nothing in this Regulation prevents the relevant authority from deciding”;

(ii) omit the second sentence;

(h) for paragraph 8 substitute—

“8. The relevant authority may decide to stop applying paragraph 2.”.

(6) For Article 10 substitute—

*“Article 10*

**Minimum requirements for receiving direct payments**

1. Subject to paragraph 2, the relevant authority shall not grant direct payments to a farmer where the eligible holding for which direct payments are claimed or due to be granted before the application of Article 63 of Regulation (EU) No 1306/2013 is smaller than the area set in legislation applying to the constituent nation.

2. In the case of farmers receiving the animal-related coupled support referred to in Title IV, the area threshold determined in accordance with paragraph 1 does not apply, but the relevant authority shall not grant direct payments where the total amount of direct payments claimed or due to be granted before the application of Article 63 of Regulation (EU) No 1306/2013 in a given calendar year is less than EUR 100.”.

(7) In Article 11—

(a) in paragraph 1, for “Member States” substitute “The relevant authority”;

(b) in paragraphs 2 and 5, for “Member States” substitute “the relevant authority”;

(c) in paragraph 3—

(i) for “a Member State” in both places it occurs, substitute “the relevant authority”;

(ii) after “5%”, in both places it occurs, insert “of its share”;

(iii) omit “set out in Annex II” in both places it occurs;

(iv) for “that Member State” substitute “the relevant authority”;

(d) in paragraph 5, for “national law” substitute “the law applying in the constituent nation”;

(e) omit paragraph 6.

(8) For Article 14 substitute—

*“Article 14*

**Flexibility between pillars**

1. The relevant authority may make available, as additional support for measures under rural development programming, up to 15% of its share of the national ceiling for calendar year 2019 provided that such a decision was taken and notified to the Commission by 1 August 2018. The amount made available for rural development programming measures under this paragraph shall no longer be available for granting direct payments.

2. The relevant authority may make available, as direct payments, up to 25% of the amount allocated to support for measures under rural development programming as specified in Regulation (EU) No 1305/2013 provided that such a decision was taken and notified to the Commission by 1 August 2018. The amount made available for direct

payments under this paragraph shall no longer be available for support measures under rural development programming.”.

(9) Omit Articles 16 to 20.

**Amendment of Title 3 (Basic payment scheme, single area payment scheme and related payments)**

5.—(1) For Article 21 substitute—

*“Article 21*

**Payment entitlements**

Support under the basic payment scheme shall be available to farmers who:

- (a) obtain payment entitlements under this Regulation through first allocation pursuant to Article 24, through allocation from the national reserve or regional reserves pursuant to Article 30 or through transfer pursuant to Article 34, or
- (b) comply with Article 9 and hold unexpired owned or leased-in payment entitlements established under the single payment scheme in accordance with Regulation (EC) No 1782/2003 and with Regulation (EC) No 73/2009.”.

(2) For Article 22 substitute—

*“Article 22*

**Basic payment scheme ceiling**

1. The basic payment scheme ceiling for any given year is calculated by deducting from the annual national ceiling set out in Annex II all the ceilings calculated in respect of that year in accordance with Articles 42, 47, 51 and 53.

2. The relevant authority’s share of the basic payment ceiling is the amount which remains for the basic payment scheme in the constituent nation after deducting from the relevant authority’s share of the national ceiling the ceilings set under Articles 42, 47 and 51 and the amount allocated in the constituent nation under Article 53. The relevant authority may increase the amount which represents its share of the basic payment scheme ceiling. That increase may not exceed 3% of the amount which represents its share of the annual national ceiling after deduction of the amount resulting from the application of Article 47(1) for the relevant year.

3. The relevant authority may review the decision under paragraph 2 on an annual basis.

4. The total value of all payment entitlements and the national reserve or regional reserves in the constituent nation must equal its share of the basic payment scheme ceiling. The total value of payment entitlements and national reserves and regional reserves in the United Kingdom must equal the basic payment scheme ceiling calculated in accordance with paragraph 1.

5. If the ceiling calculated in accordance with paragraph 1 is different from that of the previous year as a result of a decision taken by the relevant authority in accordance with paragraph 3, Article 42(1), the second subparagraph of Article 51(1), or Article 53, the relevant authority shall linearly reduce or increase the value of all payment entitlements in order to ensure compliance with paragraph 4.”.

(3) In Article 23—

(a) in paragraph 1—

(i) for the first sentence substitute “The relevant authority may apply the basic payment scheme at regional level, provided that it took a decision to do so by 1 August 2014.”;

(ii) for “they” substitute “the relevant authority”;

- (iii) omit the second subparagraph;
  - (b) in paragraph 2—
    - (i) for “Member States”, in the first place it occurs, substitute “The relevant authority”;
    - (ii) after “divide” insert “its share of”;
    - (iii) omit the second subparagraph;
  - (c) in paragraph 3, for “Member States” substitute “The relevant authority”;
  - (d) in paragraph 4, for “Member States” substitute “the relevant authority”;
  - (e) in paragraph 5—
    - (i) for “Member States applying paragraph 1” substitute “The relevant authority”;
    - (ii) for “them” substitute “the relevant authority”;
  - (f) omit paragraph 6.
- (4) In Article 24(1)—
- (a) in the second subparagraph, for “Member States applying” substitute “a constituent nation, where the relevant authority has applied”;
  - (b) in the third subparagraph—
    - (i) for “Member States”, in the first place it occurs, substitute “The relevant authority”;
    - (ii) for “Member State”, in each place it occurs, substitute “relevant authority”;
    - (iii) in point (a)(i)—
      - (aa) for “Member States applying” substitute “a constituent nation, where the relevant authority has applied”;
      - (bb) for “decides” substitute “decided”;
      - (cc) after “requirement” insert “, provided that the decision was made and notified to the Commission by 1 August 2014”;
    - (iv) omit point (a)(ii);
    - (v) omit point (b);
    - (vi) in point (c), for the last sentence substitute “This category of farmers must also meet any additional objective and non-discriminatory eligibility criteria established by the relevant authority prior to exit day as regards appropriate skills, experience or education”.
- (5) In Article 24(2)—
- (a) for “Member State”, in the first place it occurs, substitute “relevant authority”;
  - (b) for “in that Member State” substitute “by the relevant authority”.
- (6) Omit Article 24(3) to (5).
- (7) In Article 24(6), for “Member States may decide to” substitute “Provided that such a decision was made and notified to the Commission by 1 August 2014, the relevant authority may”.
- (8) Omit Article 24(7).
- (9) In Article 24(9)—
- (a) for “A Member State may decide to” substitute “Provided that such a decision was made and notified to the Commission by 1 August 2014, the relevant authority may”;
  - (b) for the words from “point” to the end substitute “Article 10(1)”.
- (10) Omit Article 24(10) and (11).
- (11) In Article 25—
- (a) for paragraphs 1 and 2 substitute—
    - “1. Subject to paragraphs 2 and 4, for the purposes of this Article the unit value of payment entitlements is calculated by dividing a fixed percentage of the relevant authority’s

share of the national ceiling for each relevant year by the number of payment entitlements in 2015 in the constituent nation or, where applicable, at regional level, excluding those allocated from the national reserve or regional reserves in 2015.

The fixed percentage referred to in the first subparagraph is calculated by dividing the relevant authority's share of the basic payment scheme ceiling or, where applicable, the regional ceiling for the basic payment scheme set in accordance with Article 23(2), after applying the linear reduction provided for in paragraph 1 or, where applicable, paragraph 2 of Article 30 by the relevant authority's share of the national ceiling for 2015.

2. The value of payment entitlements, other than those allocated from the national reserve or regional reserves in 2015, may be differentiated for each relevant year on the basis of their initial unit value calculated in accordance with Article 26 as it had effect immediately before exit day, provided that the decision to differentiate was taken and notified to the Commission by 1 August 2014.”;

(b) in paragraph 3, for “Member State” substitute “constituent nation”;

(c) In paragraph 4—

(i) for the first subparagraph, substitute—

“4. By way of derogation from paragraph 3, the unit value of payment entitlements may, for claim year 2019 at the latest, be increased by at least one third of the difference between their initial unit value and 90% of the national or regional unit value in 2019 where:

(a) the relevant authority has so notified the Commission by 1 August 2014; and

(b) the initial unit value is lower than 90% of the national or regional unit value in 2019.”;

(ii) for “Member States”, in the first place it occurs, substitute “The relevant authority”;

(iii) for “Member States”, in the second place it occurs, substitute “the relevant authority”;

(iv) for “Member States”, in the third place it occurs, substitute “respect of a relevant authority”;

(d) in paragraph 5—

(i) after “percentage”, in the first place it occurs, insert “of the relevant authority's share”;

(ii) omit “set out in Annex II” in both places it occurs;

(iii) for “Member State” substitute “constituent nation”;

(iv) for the second sentence substitute “That fixed percentage shall be calculated by dividing the relevant authority's share of the basic payment scheme ceiling or, where applicable, the regional ceiling for the basic payment scheme set in accordance with Article 23(2), for the year 2015, after applying the linear reduction provided for in paragraph 1 or, where applicable, paragraph 2 of Article 30, by the relevant authority's share of the national ceiling, or the regional ceiling, for 2015.”;

(e) in paragraph 6—

(i) after “percentage to” insert “the relevant authority's share of”;

(ii) omit “set out in Annex II”;

(iii) for the words from “national”, in the second place it occurs, to “Article 22(1)” substitute “relevant authority's share of the basic payment scheme ceiling”;

(f) in paragraph 7, for “Member States” substitute “the relevant authority”;

(g) in paragraph 8, in the first subparagraph after “Article 26” insert “as it had effect immediately before exit day”;

(h) omit paragraphs 9 and 10.

(12) Omit Articles 26 to 29.

(13) In Article 30—

- (a) for paragraph 1 substitute—
    - “1. The relevant authority shall maintain the national reserve or regional reserves established prior to exit day.”;
  - (b) omit paragraphs 2 and 3;
  - (c) in paragraphs 4 and 6, for “Member States” substitute “The relevant authority”;
  - (d) in paragraph 7—
    - (i) for “Member States”, in the first place it occurs, substitute “The relevant authority”;
    - (ii) omit point (d);
    - (iii) in point (e), for “annual national or” substitute “relevant authority’s share of the basic payment scheme ceiling or, where applicable, the”;
    - (iv) for “Member States”, in the second place it occurs, substitute “the relevant authority”;
  - (e) in paragraph 8—
    - (i) in the first subparagraph—
      - (aa) for “(a), (b) and (d)” substitute “(a) and (b)”;
      - (bb) for “Member States” substitute “the relevant authority”;
    - (ii) for the second subparagraph, substitute—
 

“The national or regional average value shall be calculated by dividing the relevant authority’s share of the basic payment scheme ceiling or, where applicable, the regional ceiling for the basic payment scheme set in accordance with Article 23(2), for the year of allocation, excluding the amount of the national reserve or regional reserves, by the number of allocated payment entitlements.”;
    - (iii) in the third subparagraph—
      - (aa) for “Member States” substitute “The relevant authority”;
      - (bb) for the words from “national”, in the second place it occurs, to “and” substitute “relevant authority’s share of the basic payment ceiling or, where applicable, the regional ceiling for the basic payment scheme set in accordance with”;
  - (f) in paragraph 9, for “Member State”, in both places it occurs, substitute “relevant authority”;
  - (g) in paragraph 10, for “Members States” substitute “the relevant authority”;
  - (h) in paragraph 11, for the words from “Member States” to the end substitute “this category of farmers must also meet any additional objective and non-discriminatory eligibility criteria established by the relevant authority prior to exit day as regards appropriate skills, experience or education”.
- (14) In Article 31(1)—
- (a) omit point (d);
  - (b) in point (g)—
    - (i) for “Member States consider” substitute “the relevant authority considers”;
    - (ii) for “Member States”, in the second place it occurs, substitute “a relevant authority”.
- (15) In Article 32—
- (a) in paragraph 1—
    - (i) for “Member State” substitute “constituent nation”;
    - (ii) omit “and point (c) of Article 65(2)”;
  - (b) in paragraph 2—
    - (i) in point (a), omit the words from “, including” to “scheme,”;



- (ii) in point (b), for the words from “any” to “IVA” substitute “any area which gave a right to payments in 2008 under the single payment scheme laid down in Title III”;
  - (c) in paragraph 3—
    - (i) in point (b), for “Member States” substitute “the relevant authority”;
    - (ii) for the second subparagraph substitute “The relevant authority must apply the criteria it has established for the implementation of this paragraph in the constituent nation.”;
  - (d) in paragraph 5, for “Member States” substitute “the relevant authority”.
- (16) In Article 33—
- (a) in paragraph 1, for “Member State”—
    - (i) in the first place it occurs, substitute “relevant authority”;
    - (ii) in the second place it occurs, substitute “constituent nation”;
  - (b) in paragraph 2, for “Member States” substitute “The relevant authority”.
- (17) In Article 34—
- (a) in paragraph 1, for “Member State”, in both places it occurs, substitute “constituent nation”;
  - (b) in paragraph 2, for “Member States exercise” substitute “the relevant authority exercises”;
  - (c) in paragraph 3, for “Member States” substitute “A relevant authority”;
  - (d) in paragraph 4—
    - (i) for “Member States” substitute “the relevant authority”;
    - (ii) for “the general principles of Union law” substitute “retained EU law relating to the common agricultural policy and the objectives of the common agricultural policy set out in Article 39 of the Treaty on the Functioning of the European Union”.
- (18) Omit Articles 36 to 40.
- (19) In Article 41—
- (a) in paragraph 1—
    - (i) for “Member States”, in the first place it occurs, substitute “The relevant authority”;
    - (ii) omit the words from “or under” to “Chapter 1”;
    - (iii) omit the second subparagraph;
  - (b) for paragraph 2 substitute—
 

“2. If the relevant authority applies the basic payment scheme at regional level in accordance with Article 23, it may apply the redistributive payment at regional level.”;
  - (c) in paragraph 3, omit the words from “, or” to the end;
  - (d) in paragraph 4—
    - (i) for “Member States, in both places it occurs, substitute “the relevant authority”;
    - (ii) for “Member State”—
      - (aa) in the first place it occurs, substitute “relevant authority”;
      - (bb) in the second place it occurs, substitute “constituent nation”;
    - (iii) omit “national or regional”;
    - (iv) after “hectare” insert “made by the relevant authority (at regional level where applicable)”;
    - (v) omit the words from “or by” to “Article 36(2)”;
    - (vi) for the words from “or”, in the last place it occurs, to “that” substitute “, or 54 hectares if the”;
  - (e) omit paragraph 5;

- (f) in paragraph 6—
    - (i) in the first subparagraph—
      - (aa) for “Member States” substitute “relevant authority”;
      - (bb) after “basis” insert “of its share”;
      - (cc) omit “set out in Annex II”;
      - (dd) omit “or Article 36(2)”;
    - (ii) omit the second subparagraph;
  - (g) in paragraph 7, for “Member States” substitute “The relevant authority”;
  - (h) omit paragraph 8.
- (20) For Article 42 substitute—

*“Article 42*

**Financial provisions**

In order to finance the redistributive payment, the relevant authority may decide, by the date referred to in Article 41(1) to use up to 30% of its share of the annual national ceiling.”

- (21) In Article 43—
- (a) in paragraphs 5 and 6, for “Member States may decide” substitute “Nothing in this Regulation prevents the relevant authority from deciding”;
  - (b) in paragraph 7, for “Member States” substitute “the relevant authority”;
  - (c) omit paragraph 8;
  - (d) in paragraph 9—
    - (i) for “Member States”, in the first place it occurs, substitute “the relevant authority”;
    - (ii) for “Member State”, in each place it occurs, substitute “constituent nation”;
    - (iii) in the third subparagraph, for “Member States deciding to apply Article 25(2)” substitute “and provided that the decision to derogate was taken and notified to the Commission prior to 15 December 2014, the relevant authority”;
  - (e) omit paragraph 13.
- (22) Omit Article 44(3)(d).
- (23) In Article 45—
- (a) for paragraph 1 substitute—
 

“1. Farmers shall not convert or plough permanent grassland situated in areas which, prior to exit day, have been designated by the relevant authority as permanent grasslands.”;
  - (b) in paragraph 2—
    - (i) for “Member States”—
      - (aa) in the first place it occurs, substitute “The relevant authority”;
      - (bb) in the second place it occurs, substitute “the relevant authority”;
    - (ii) in the first subparagraph, for “a reference ratio to be” substitute “the reference ratio”;
    - (iii) in point (a) of the second subparagraph, omit “or 2013 in the case of Croatia,” and “or, in the case of Croatia, 2013”;
    - (iv) for the fifth subparagraph substitute—
 

“The obligation under this paragraph shall apply across the constituent nation.”;
    - (v) omit the sixth subparagraph;
  - (c) in paragraph 3, for the words from “at regional” to “concerned” substitute “in the constituent nation, the relevant authority”.

(24) In Article 46—

- (a) in paragraph 1—
  - (i) for “Member State” substitute “relevant authority”;
  - (ii) omit the third subparagraph;
- (b) in paragraph 2, for “By 1 August 2014, Member States” substitute “The relevant authority”;
- (c) in paragraph 3—
  - (i) for “Member States” substitute “the relevant authority”;
  - (ii) for “a Member State” substitute “the relevant authority”;
- (d) in paragraph 5—
  - (i) for “Member States”, in both places it occurs, substitute “The relevant authority”;
  - (ii) omit the last sentence;
- (e) in paragraph 6—
  - (i) for “Member States”, in both places it occurs, substitute “The relevant authority”;
  - (ii) omit from “In order” to “biodiversity.”;
- (f) omit paragraphs 7 and 8.

(25) In Article 47—

- (a) in paragraph 1—
  - (i) for “Member States” substitute “the relevant authority”;
  - (ii) after “30%” insert “of its share”;
  - (iii) omit “set out in Annex II”;
- (b) in the first subparagraph of paragraph 2—
  - (i) for “Member States” substitute “The relevant authority”;
  - (ii) for “national level” substitute “at the same level across the constituent nation”;
- (c) in the second subparagraph of paragraph 2—
  - (i) for the first sentence substitute “Where the relevant authority has applied Article 23, the relevant authority may apply the payment at regional level, provided that a decision to do so was taken and notified to the Commission by 15 December 2014.”;
  - (ii) before “the national” insert “its share of”;
  - (iii) omit paragraph 3.

(26) Omit Articles 48 and 49.

(27) In Article 50—

- (a) in paragraph 1, for “Member States” substitute “The relevant authority”;
- (b) for paragraph 3 substitute—

“3. Young farmers applying for the payment under this Article must also meet any objective and non-discriminatory requirements specified by the relevant authority prior to exit day regarding appropriate skills and/or training requirements.”;
- (c) in paragraph 4, omit the words from “or” to the end;
- (d) in paragraph 5, for “Member States” substitute “the relevant authority”;
- (e) in paragraph 6—
  - (i) for “Member States not applying Article 36” substitute “in accordance with the legislation applying in the constituent nation, the relevant authority”;
  - (ii) after “percentage”, in the first place it occurs, insert “of the relevant authority’s share”;
  - (iii) omit “set out in Annex II”;

- (iv) after “declared” insert “in the constituent nation”;
- (v) for the last sentence substitute “The fixed percentage shall be equal to the percentage of the relevant authority’s share of the national ceiling which remained for the basic payment scheme in the constituent nation for 2015.”;
- (f) omit paragraph 7;
- (g) in paragraph 8—
  - (i) in the first subparagraph—
    - (aa) for “paragraphs 6 and 7” substitute “paragraph 6”;
    - (bb) for “Member States may” substitute “where the legislation applying in the constituent nation so provides, the relevant authority shall”;
    - (cc) omit “national”;
    - (dd) after “hectare” insert “in the constituent nation”;
    - (ee) omit the words from “, or” to “Article 36(2)”;
  - (ii) in the second subparagraph—
    - (aa) omit “national”;
    - (bb) after “hectare” insert “in the constituent nation”;
    - (cc) after “dividing” insert “the relevant authority’s share of”;
    - (dd) omit “set out in Annex II”;
    - (ee) after “declared” insert “in the constituent nation”;
    - (ff) omit “or Article 36(2)”;
- (h) in paragraph 9—
  - (i) for “Member States shall set a single” substitute “The”;
  - (ii) after “farmer”, in the second place it occurs, insert “is the single maximum limit set by the relevant authority prior to exit day”;
  - (iii) for “Member States”, in the second place it occurs, substitute “The relevant authority”;
  - (iv) for “6, 7 and 8” substitute “6 and 8”;
- (i) omit paragraph 10;
- (j) after paragraph 10 insert—
 

“10A. Paragraphs 3, 6 and 9 only apply where the decisions to which they refer were taken and notified to the Commission by 31 January 2015.”.
- (28) In Article 51—
  - (a) for paragraph 1 substitute—
 

“1. In order to finance the payment for young farmers, the relevant authority shall use a percentage, which shall not be higher than 2% of its share of the annual national ceiling.

The relevant authority may, by 1 August of each year, revise the percentage with effect from the subsequent year.”;
  - (b) in paragraph 2—
    - (i) for the words from “Member”, in the first place that it occurs, to “State”, in the second place it occurs, substitute “constituent nation in a particular year exceeds the amount calculated in accordance with paragraph 1, and where that amount is lower than 2% of the relevant authority’s share of the national ceiling, the relevant authority”;
    - (ii) omit “or Article 36(2), or by both means”;
  - (c) in paragraph 3—

- (i) for “Member State” substitute “constituent nation”;
- (ii) for the words from “ceiling”, in the first place it occurs, to “States” substitute “amount calculated in accordance with paragraph 1, and where that amount is equal to 2% of its share of the annual national ceiling, the relevant authority”;
- (d) omit paragraph 4.

**Amendment of Title 4 to 6 (Coupled support, small farmers scheme and national restructuring programmes for the cotton sector)**

**6.—(1) In Article 52—**

- (a) in paragraph 1, for “Member States” substitute “The relevant authority”;
- (b) in paragraph 3, for “Member State” substitute “constituent nation”;
- (c) in paragraph 6, for the words from “determined” to the end substitute “jointly agreed by the relevant authorities for each constituent nation”;
- (d) in paragraph 7, for “Members States” substitute “the relevant authority”;
- (e) in paragraph 8, for “other Union measures and policies” substitute “measures provided for in Regulation (EU) No 1305/2013 and Regulation (EU) No 1308/2013 and any other measures specified for the purposes of this paragraph by virtue of paragraph 9”.

**(2) In Article 53—**

- (a) for paragraph 1 substitute—

“1. Up to 8% of the annual national ceiling set out in Annex II may be used to finance the coupled support.”;

- (b) omit paragraph 2;
- (c) in paragraph 3—
  - (i) for “paragraphs 1 and 2” substitute “paragraph 1”;
  - (ii) for “for those Member States which decide to use” substitute “if”;
  - (iii) for “their” substitute “the”;
  - (iv) after “Annex II” insert “is used”;
- (d) omit paragraph 4;
- (e) in paragraph 5—
  - (i) omit “Member States may choose to use”;
  - (ii) after “year” insert “may be used”;
- (f) in paragraph 6—
  - (i) for the words from “Member States” to “decision”, in the first place it occurs, substitute “By 1 August of any given year, the relevant authorities may together review decisions made”;
  - (ii) for the second subparagraph substitute—

“Any decision made under this paragraph which results in a change may only take effect if each relevant authority agrees.”;

- (g) omit paragraph 7.

**(3) Omit Article 54 to 67.**

**Amendment of Title 7 (Final provisions)**

**7.—(1) In Article 68—**

- (a) in paragraph 1, for the first sentence substitute “The relevant authority may collect personal data, in relation to the constituent nation, for the purposes of checking,

controlling, monitoring, evaluating and auditing direct payments or for the purpose of complying with requirements laid down in international agreements.”;

- (b) in paragraph 2, for “Article 67(1)” substitute “paragraph 1”;
  - (c) in paragraph 3—
    - (i) for “Directive 95/46/EC and Regulation (EC) No 45/2001” substitute “Regulation (EU) 2016/679 and the Data Protection Act 2018(a)”;
    - (ii) for the words from “the minimum” to the end substitute “any statutory minimum retention periods”;
  - (d) in paragraph 4—
    - (i) for “Member States” substitute “The relevant authority”;
    - (ii) for “national and Union bodies” substitute “UK bodies and bodies in the constituent nation”;
    - (iii) for “Directive 95/46/EC and Regulation (EC) No 45/2001” substitute “Regulation (EU) 2016/679 and the Data Protection Act 2018”.
- (2) In Article 72(1), omit the second subparagraph.
- (3) Omit Articles 73 and 74.

#### Amendment of Annexes

- 8.—(1) In Annex 1, omit the second, fifth and eighth to eleventh entries in the table.
- (2) For Annex 2, substitute—

#### “Annex II

#### National ceilings referred to in Article 6

<i>(in thousands EUR)</i>						
<i>Calendar year</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
	3,173,324	3,179,880	3,186,319	3,195,781	3,205,243	3,591,683
						”

- (3) For Annex III substitute—

#### “Annex III

#### Net ceilings referred to in Article 7

<i>(in million EUR)</i>						
<i>Calendar year</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
	3,170.7	3,177.3	3,183.6	3,192.2	3,201.4	3,591.7”

- (4) Omit Annexes 4 to 8.

Date

*Name*  
Minister of State  
Department for Environment, Food and Rural Affairs

(a) 2018 c. 12.

## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations are made in exercise of the powers conferred by section 8(1) of, and paragraph 21 of Schedule 7 to, the European Union (Withdrawal) Act 2018 (c. 16) in order to address failures of retained EU law to operate effectively and other deficiencies (in particular under section 8(2)(a), (b), (d) and (g)) arising from the withdrawal of the UK from the European Union.

These Regulations make amendments to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

An impact assessment has not been produced for this instrument as no, or no significant, impact on the private or voluntary sector is foreseen.

DRAFT