This draft Statutory Instrument supersedes the draft of the same title which was laid before Parliament on 13<sup>th</sup> February 2019 and published on 13<sup>th</sup> February 2019 (ISBN 978-0-118108-9). It is being issued free of charge to all known recipients of that draft Statutory Instrument.

Draft Regulations laid before Parliament under section paragraph 1(1) of Schedule 7 to the European Union (Withdrawal) Act 2018, for approval by resolution of each House of Parliament.

#### DRAFT STATUTORY INSTRUMENTS

# 2019 No. 000

# EXITING THE EUROPEAN UNION AGRICULTURE

The Agriculture (Legislative Functions) (EU Exit) Regulations 2019

Made - - - - \*\*\*

Coming into force in accordance with regulation 1

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(1).

A draft of this instrument was laid before and approved by a resolution of each House of Parliament pursuant to paragraph 1(1) of Schedule 7 to that Act.

# PART 1

#### Introduction

#### Citation and commencement

1. These Regulations may be cited as the Agriculture (Legislative Functions) (EU Exit) Regulations 2019 and come into force on the later of exit day or the day after the day on which they are made.

# PART 2

# Financing, Management and Monitoring Amendments

#### Amendment of Regulation (EU) No 1306/2013

- **2.** Regulation (EU) No 1306/2013 of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy is amended in accordance with regulations 3 to 27.
  - 3. In Article 2(1), after point (o)(2) insert—
    - "(p) 'appropriate authority' means:
      - (i) the relevant authority for the constituent nation in which the regulations apply, or
      - (ii) the Secretary of State:
        - (aa) in relation to regulations applying in Wales and made under Article 8, 20, 79(2), 84(6), 88 or 106(5) or (6) of this Regulation, if consent is given by the Welsh Ministers;
        - (bb) in relation to regulations applying in Scotland, if consent is given by the Scottish Ministers;
        - (cc) in relation to regulations applying in Northern Ireland, if consent is given by the Department of Agriculture, Environment and Rural Affairs.".
  - 4. In Article 8—
    - (a) in paragraph 1—
      - (i) for the words from "Commission" to "Article 111" substitute "appropriate authority may make regulations";
      - (ii) omit point (a);
    - (b) omit paragraph 2.
  - 5. In Article 15—
    - (a) for the words from "Commission" to "acts" substitute "appropriate authority may make regulations";
    - (b) omit the second paragraph.
  - **6.** In Article 20, for paragraphs 2 to 4 substitute—
    - "2. The appropriate authority may make regulations in relation to public intervention expenditure concerning:
      - (a) the types of measures eligible for financing and the reimbursement conditions;
      - (b) the eligibility conditions and calculation methods based on the information actually observed by the paying agencies or based on flat-rates prescribed in regulations by the appropriate authority, or based on flat-rate or non-flat-rate amounts provided for by the sectoral agricultural legislation.
    - 3. The appropriate authority may make regulations laying down the rules on the valuation of operations in connection with public intervention, the measures to be taken

<sup>(2)</sup> Article 2 of Regulation (EU) No. 1306/2013 is amended to include new paragraphs and definitions of "relevant authority and constituent nation" by The Common Agricultural Policy (Financing, Management and Monitoring) (Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/XXXX).

in the case of loss or deterioration of products under the public intervention, and on the determination of the amounts to be financed.".

#### 7. For Article 26 substitute—

#### "Article 26

#### Financial Discipline in England

- 1. The Secretary of State may make regulations fixing an adjustment rate to be applied to direct payments in England where expenditure in England on CMO support and Direct Payment support is forecast to exceed the threshold.
  - 2. For the purposes of this Article, the threshold is:
    - (a) for the financial year ending 31 March 2020, €2,093,000,000;
    - (b) for the financial year ending 31 March 2021, €2,095,000,000.
- **3.** For the purposes of this Article, a payment is a direct payment in England if the competent authority required to determine the application for the payment in accordance with regulation 3 of the Common Agricultural Policy (Control and Enforcement, Crosscompliance, Scrutiny of Transactions and Appeals) Regulations 2014(3) is the competent authority for England.
- **4.** In the case of a holding situated in more than one constituent nation, the adjustment rate must not be applied to any of the payment which relates to entitlements in Wales, Scotland or Northern Ireland.
- **5.** Subject to paragraph 6, regulations under paragraph 1 may be laid no later than 30 September of the scheme year in respect of which the adjustment rate applies.
- **6.** Where the Secretary of State has made regulations under paragraph 1, the Secretary of State may exercise the power to amend the adjustment rate if there is a change in the forecast expenditure, provided that such regulations are laid no later than 1 December of the scheme year in respect of which the adjustment rate applies.
- 7. The adjustment rate must be no higher than the rate required to offset the amount by which the forecast expenditure exceeds the threshold.
  - **8.** Paragraph 9 applies where:
    - (a) direct payments are subject to an adjustment rate under this Article, and
    - (b) actual expenditure in the financial year in which the adjustment is applied is lower than the threshold.
- **9.** Where this paragraph applies, an amount equal to the difference between actual expenditure and the threshold must be distributed to eligible farmers in accordance with paragraph 11.
  - **10.** For the purposes of paragraph 9, a person is an eligible farmer:
    - (a) if the person:
      - (i) receives a direct payment in England in respect of scheme year N+1, being the scheme year following the scheme year in which the adjustment rate was applied, and
      - (ii) would be subject to an adjustment rate in respect of that direct payment if one were applied, or

- (b) if:
  - (i) the person received a direct payment in England which was reduced as a result of the adjustment rate; and
  - (ii) there are no direct payments in England made in the following scheme year.
- 11. The amount to be distributed to each eligible farmer must be in direct proportion to the value of:
  - (a) in the case of a person who is an eligible farmer by virtue of paragraph 10(a), the direct payment made to that person in respect of scheme year N+1 insofar as it exceeds €2000;
  - (b) in the case of a person who is an eligible farmer by virtue of paragraph 10(b), the direct payment which was adjusted insofar as it exceeds €2000.
- **12.** In calculating the value of the direct payment for the purposes of paragraph 11, no account is to be taken of:
  - (a) any part of the payment which relates to entitlements in Wales, Scotland or Northern Ireland;
  - (b) any financial adjustment applied by virtue of this Article;
  - (c) any penalties applied to the payment by virtue of Title VI;
  - (d) any reductions applied under Article 7 and Article 11 of Regulation (EU) 1307/2013.
  - 13. For the purposes of this Article, expenditure in England comprises:
    - (a) in relation to Direct Payment support:
      - (i) for the purposes of forecasting expenditure, the amount expected to be paid in respect of direct payments in England in the financial year in question, disregarding any adjustment to be applied for the scheme year under this Article:
      - (ii) for the purposes of calculating actual expenditure, the amount paid (or approved for payment) in respect of direct payments in England in the financial year in question;
    - (b) in relation to CMO support, a proportion of any CMO support paid (or approved for payment) in the financial year in question, such proportion to reflect the amount of that support which is attributable to England, as calculated in accordance with guidance issued by the Secretary of State.".
- 8. For Article 28 substitute—

# "Article 28

Forecasts of expenditure in England for the purpose of financial discipline

- 1. For the purposes of Article 26, the Secretary of State must determine monthly expenditure profiles for England at the start of the financial year. Those profiles may be based, where appropriate, on average monthly expenditure during the previous three years and must be updated as necessary throughout the financial year to take account of any changes in circumstances or any new information.
- **2.** The Secretary of State must publish a report every 3 months setting out, in relation to England, expenditure in relation to the profiles and an assessment of the forecasted expenditure for the financial year.".

- 9. In Article 46, for paragraphs 5 and 6 substitute—
  - "5. The appropriate authority may make regulations laying down specific conditions applying to the information to be booked in the accounts kept by paying agencies.
  - **6.** The appropriate authority may make regulations to make provision for the financing of intervention measures in the form of public storage, and other expenditure financed by agricultural support."
- 10. For Article 50(2) substitute—
  - "2. The appropriate authority may make regulations laying down rules on the conditions on which the supporting documents referred to in Article 49 are to be kept, including their form and the time period of their storage."
- 11. For Article 57 substitute—

#### "Article 57

# Power to make regulations

In order to ensure correct and efficient application of the provisions relating to the conditions for the recovery of undue payments and interest thereon, the appropriate authority may make regulations setting out procedures for such recovery as set out in this Section.".

- **12.** In Article 62(2)—
  - (a) for "Commission shall adopt implementing acts" substitute "appropriate authority may make regulations";
  - (b) in point (a)—
    - (i) for "Member States" substitute "relevant authority";
    - (ii) omit the words from "resulting" to the end;
  - (c) omit point (f);
  - (d) omit the second subparagraph.
- **13.** In Article 63—
  - (a) in paragraph 4, for the words from "Commission" to "Article 115" substitute "appropriate authority may make regulations";
  - (b) in paragraph 5—
    - (i) for "The Commission shall adopt implementing acts" substitute "The appropriate authority may make regulations";
    - (ii) omit the second subparagraph.
- **14.** In Article 64—
  - (a) in paragraph 6—
    - (i) for the words from "Commission" to "Article 115" substitute "appropriate authority may make regulations";
    - (ii) in point (a), omit "by Member States";
  - (b) in paragraph 7—
    - (i) for "The Commission shall adopt implementing acts" substitute "The appropriate authority may make regulations";
    - (ii) omit point (c);
    - (iii) omit the second subparagraph.

**15.** In Article 72(5), for the words from "Commission" to "Article 115" substitute "appropriate authority may make regulations".

#### **16.** In Article 75(3)—

- (a) for "Commission shall adopt implementing acts" substitute "appropriate authority may make regulations";
- (b) for "implementing acts", in the second place it occurs, substitute "regulations";
- (c) omit the last sentence.

# 17. In Article 76—

- (a) in paragraph 1—
  - (i) for "protects the financial interests of the Union" substitute "ensures proper management of public money";
  - (ii) for the words from "Commission" to "Article 115" substitute "appropriate authority may make regulations";
  - (iii) in point (b), omit "by the Member States";
- (b) in paragraph 2—
  - (i) for the words from "Commission" to "Article 115" substitute "appropriate authority may make regulations";
  - (ii) in point (c), for the words from "such" to "eligible area" substitute "such rules may allow, in relation to areas under permanent grassland, for scattered landscape features and trees, the total area of which does not exceed a specified percentage of the reference parcel, to be part of the eligible area automatically".

#### **18.** In Article 77—

- (a) in paragraph 7—
  - (i) for the words from "Commission" to "Article 115" substitute "appropriate authority may make regulations";
  - (ii) omit "by Member States";
- (b) in paragraph 8—
  - (i) for "The Commission shall adopt implementing acts" substitute "The appropriate authority may make regulations";
  - (ii) omit the second subparagraph.

#### **19.** In Article 78—

- (a) for "The Commission shall adopt implementing acts" substitute "The appropriate authority may make regulations";
- (b) in point (b), for the words from "Member" to the end substitute "for the application of simplified procedures or correction of obvious errors";
- (c) omit the last sentence.
- **20.** In Article 79(2), for the words from "Commission" to "Article 115" substitute "appropriate authority may make regulations".
  - **21.** In Article 84(6)—
    - (a) in the first sentence—
      - (i) for "Member States in their" substitute "relevant authority in its";
      - (ii) for "Commission" substitute "relevant accounting officer";

(b) for the last sentence substitute "In order to take account of economic developments, the appropriate authority may make regulations modifying the threshold. Such regulations may specify the threshold in Sterling.".

#### 22. For Article 88 substitute—

## "Article 88

#### Power to make regulations

The appropriate authority may make regulations laying down rules for the uniform application of this Chapter and in particular relating to:

- (a) the performance of the scrutiny referred to in Article 80 as regards the selection of undertakings, rate and the calendar for the scrutiny;
- (b) the conservation of commercial documents and the types of documents to maintain or data to record;
- (c) the responsibilities of the special department referred to in Article 85;
- (d) the content of reports referred to in Article 86.".

#### **23.** In Article 96(4)—

- (a) for "The Commission shall adopt implementing acts" substitute "The appropriate authority may make regulations";
- (b) omit the second subparagraph.

#### **24.** In Article 101—

- (a) in the heading, omit "Commission";
- (b) in paragraph 1—
  - (i) for the words from "Commission" to "Article 115" substitute "appropriate authority may make regulations";
  - (ii) omit point (a);
- (c) in paragraph 2—
  - (i) for "Commission shall adopt implementing acts" substitute "appropriate authority may make regulations";
  - (ii) omit the second subparagraph.

## **25.** In Article 106—

- (a) in paragraph 5, for the words from "Commission" to "Article 115" substitute "appropriate authority may make regulations";
- (b) in paragraph 6—
  - (i) omit the words from "by", in the first place it occurs, to "euro", in the first place it occurs;
  - (ii) for the words from "Commission" to "Article 115" substitute "appropriate authority may make regulations".

## **26.** In Article 114—

- (a) for "Commission shall adopt implementing acts" substitute "appropriate authority may make regulations";
- (b) omit point (c);
- (c) omit the second subparagraph.

#### **27.** For Article 115 substitute—

#### "Article 115

## Regulations: general

- **1.** Regulations made by the Secretary of State or the Welsh Ministers under this Regulation are to be made by statutory instrument.
- **2.** For regulations made under this Regulation by the Scottish Ministers, see section 27 of the Interpretation and Legislative Reform (Scotland) Act 2010(4).
- **3.** Any power of the Department of Agriculture, Environment and Rural Affairs to make regulations under this Regulation is exercisable by statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979(5).
  - 4. Regulations under this Regulation may:
    - (a) contain consequential, incidental, supplementary, transitional or saving provision (including provision amending, repealing or revoking enactments);
    - (b) make different provision for different purposes.

## Article 115A

#### Regulations: the Secretary of State

- 1. Except as specified in paragraphs 2 to 6, a statutory instrument containing regulations made by the Secretary of State under this Regulation is subject to annulment in pursuance of a resolution of either House of Parliament.
- **2.** A statutory instrument containing regulations made by the Secretary of State under Article 26(1) may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.
- **3.** A statutory instrument containing regulations made by the Secretary of State under Article 75(3) must be laid before Parliament after being made.
- **4.** Regulations made by the Secretary of State under Article 75(3) cease to have effect at the end of the period of 28 days beginning with the day on which the instrument is made unless, during that period, the instrument is approved by resolution of each House of Parliament.
- **5.** In calculating the period of 28 days for the purposes of paragraph 4, no account is to be taken of any time during which:
  - (a) Parliament is dissolved or prorogued, or
  - (b) either House of Parliament is adjourned for more than 4 days.
- **6.** If regulations cease to have effect as a result of paragraph 4, that does not affect the validity of anything previously done under those regulations or prevent the making of new regulations.
- 7. Before making any regulations under this Regulation, other than regulations under Article 75(3), the Secretary of State must consult:
  - (a) such bodies or persons as appear to the Secretary of State to be representative of the interests likely to be substantially affected by the regulation, and

<sup>(4) 2010</sup> asp. 10.

<sup>(5)</sup> S.I. 1979/1573 (N.I. 12).

(b) such other bodies or persons as the Secretary of State may consider appropriate.

#### Article 115B

Regulations: the Welsh Ministers

- 1. Except as specified in paragraphs 2 to 5, a statutory instrument containing regulations made by the Welsh Ministers under this Regulation is subject to annulment in pursuance of a resolution of National Assembly for Wales.
- **2.** A statutory instrument containing regulations made by the Welsh Ministers under Article 75(3) must be laid before the National Assembly for Wales after being made.
- **3.** Regulations made by the Welsh Ministers under Article 75(3) cease to have effect at the end of the period of 28 days beginning with the day on which the instrument containing them is made unless, during that period, the instrument is approved by a resolution of the National Assembly for Wales.
- **4.** In calculating the period of 28 days for the purposes of paragraph 3, no account is to be taken of any time during which the National Assembly for Wales:
  - (a) is dissolved, or
  - (b) in recess for more than 4 days.
- **5.** If regulations cease to have effect as a result of paragraph 3, that does not affect the validity of anything previously done under those regulations or prevent the making of new regulations.
- **6.** Before making any regulations under this Regulation, other than regulations under Article 75(3), the Welsh Ministers must consult:
  - (a) such bodies or persons as appear to the Welsh Ministers to be representative of the interests likely to be substantially affected by the regulations, and
  - (b) such other bodies or persons as the Welsh Ministers may consider appropriate.

#### Article 115C

Regulations: the Scottish Ministers

- 1. Except as specified in paragraphs 2 to 5, regulations made by the Scottish Ministers under this Regulation are subject to the negative procedure (see section 28 of the Interpretation and Legislative Reform (Scotland) Act 2010).
- **2.** Regulations made by the Scottish Ministers under Article 75(3) must be laid before the Scottish Parliament after being made.
- **3.** Regulations made by the Scottish Ministers under Article 75(3) cease to have effect at the end of the period of 28 days beginning with the day on which they are made unless, during that period, the regulations are approved by resolution of the Scottish Parliament.
- **4.** In calculating the period of 28 days for the purposes of paragraph 3, no account is to be taken of any time during which the Scottish Parliament is:
  - (a) dissolved, or
  - (b) in recess for more than 4 days.
- **5.** If regulations cease to have effect as a result of paragraph 3, that does not affect the validity of anything previously done under those regulations or prevent the making of new regulations.

- **6.** Before making any regulations under this Regulation, other than regulations under Article 75(3), the Scottish Ministers must consult:
  - (a) such bodies or persons as appear to the Scottish Ministers to be representative of the interests likely to be substantially affected by the regulations, and
  - (b) such other bodies or persons as the Scottish Ministers may consider appropriate.

#### Article 115D

# Regulations: Northern Ireland

- 1. Except as specified in paragraphs 2 to 5, regulations made by the Department of Agriculture, Environment and Rural Affairs ("the Department") under this Regulation are subject to negative resolution within the meaning of section 41(6) of the Interpretation Act (Northern Ireland) 1954(6) as if they were a statutory instrument within the meaning of that Act.
- **2.** Regulations made by the Department under Article 75(3) must be laid before the Northern Ireland Assembly after being made.
- **3.** Regulations made by the Department under Article 75(3) cease to have effect at the end of the period of 28 days beginning with the day on which they are made unless, during that period, the instrument is approved by a resolution of the Northern Ireland Assembly.
- **4.** In calculating the period of 28 days for the purpose of paragraph 3, no account is to be taken of any time during which the Northern Ireland Assembly is:
  - (a) dissolved,
  - (b) in recess for more than 4 days, or
  - (c) adjourned for more than 6 days.
- **5.** If regulations cease to have effect as a result of paragraph 3, that does not affect the validity of anything previously done under those regulations or prevent the making of new regulations.
- **6.** Before making any regulations under this Regulation, other than regulations under Article 75(3), the Department must consult:
  - (a) such bodies or persons as appear to the Department to be representative of the interests likely to be substantially affected by the regulations; and
  - (b) such other bodies or persons as the Department may consider appropriate.".

## Amendment of Regulation 906/2014

- **28.** Commission Delegated Regulation (EU) No. 906/2014 supplementing Regulation (EU) No. 1306/2013 of the European Parliament and of the Council with regard to public intervention expenditure is amended in accordance with regulation 29.
  - **29.** In Article 4(2), for the third subparagraph substitute—

"The appropriate authority may make regulations setting the value of products which have deteriorated or been destroyed, either due to natural disasters or to too long a period of storage as referred to in point 2 of Annex VII to this Regulation.

Regulations made by the Secretary of State or the Welsh Ministers under this paragraph are to be made by statutory instrument.

For regulations made under this paragraph by the Scottish Ministers, see section 27 of the Interpretation and Legislative Reform (Scotland) Act 2010.

Any power of the Department of Agriculture, Environment and Rural Affairs to make regulations under this paragraph is exercisable by statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979.

A statutory instrument containing regulations made by the Secretary of State under this paragraph is subject to annulment in pursuance of a resolution of either House of Parliament.

A statutory instrument containing regulations made by the Welsh Ministers under this paragraph is subject to annulment in pursuance of a resolution of the National Assembly for Wales.

Regulations made by the Scottish Ministers under this paragraph are subject to the negative procedure (see section 28 of the Interpretation and Legislative Reform (Scotland) Act 2010).

Regulations made by the Department of Agriculture, Environment and Rural Affairs under this paragraph are subject to negative resolution within the meaning of section 41(6) of the Interpretation Act (Northern Ireland) 1954(7) as if they were a statutory instrument within the meaning of that Act.

Regulations under this paragraph may:

- (a) contain consequential, incidental, supplementary, transitional or saving provision (including provision amending, repealing or revoking enactments);
- (b) make different provision for different purposes.

Before making any regulations under this Regulation, the appropriate authority must consult:

- (a) such bodies or persons as appear to the authority to be representative of the interests likely to be substantially affected by the regulations, and
- (b) such other bodies or persons as the authority may consider appropriate.".

## PART 3

# Amendments to Direct Payments Regulations

## Amendment of Regulation (EU) No 1307/2013

- **30.** Regulation (EU) 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 is amended in accordance with regulation 31 to 48.
- **31.** In Article 2, for the words from "Commission" to "Article 70" substitute "appropriate authority may make regulations".
  - **32.** In Article 4—
    - (a) in paragraph 1, after point (r)(8) insert—
      - "(s) 'appropriate authority' means:
        - (i) the relevant authority for the constituent nation in which the regulations apply, or

<sup>(7) 1954</sup> c. 33 (NI). Section 41(6) was amended by S.I. 1999/663.

<sup>(8)</sup> Article 4(1) of Regulation (EU) No. 1307/2013 is amended to insert new points (including definitions of "relevant authority and "constituent nation") by The Common Agricultural Policy (Direct Payments to Farmers) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/XXXX).

- (ii) the Secretary of State:
  - (aa) in relation to regulations applying in Scotland, if consent is given by the Scottish Ministers;
  - (bb) in relation to regulations applying in Northern Ireland, if consent is given by the Department of Agriculture, Environment and Rural Affairs.";
- (b) omit paragraph 3.
- **33.** For Article 6(3) substitute—
  - "3. In order to take account of developments relating to the total maximum amounts of direct payments that may be granted, the Secretary of State may make regulations adapting the national ceilings set out in Annex II to this Regulation.
  - **4.** The Secretary of State may not make regulations under paragraph 3 without the consent of each of the relevant authorities for Wales, Scotland and Northern Ireland.
  - **5.** Where the relevant authority for Wales, Scotland or Northern Ireland requests that the Secretary of State makes regulations under paragraph 3, the Secretary of State must have regard to that request.".
- **34.** For Article 7(3) substitute—
  - "3. In order to take account of developments relating to the total maximum amounts of direct payments that may be granted, the Secretary of State may make regulations adapting the net ceilings set out in Annex III to this Regulation.
  - **4.** The Secretary of State may not make regulations under paragraph 3 without the consent of each of the relevant authorities for Wales, Scotland and Northern Ireland.
  - **5.** Where the relevant authority for Wales, Scotland or Northern Ireland requests that the Secretary of State makes regulations under paragraph 3, the Secretary of State must have regard to that request."
- **35.** In Article 8—
  - (a) in paragraph 1—
    - (i) for "The adjustment rate" substitute "Where an adjustment rate is";
    - (ii) after "1306/2013," insert "it";
  - (b) omit paragraph 2;
  - (c) in paragraph 3—
    - (i) for the words from "Commission" to "Article 70" substitute "Secretary of State may make regulations";
    - (ii) omit "by Member States";
  - (d) omit paragraph 4.
- **36.** In Article 9(5)—
  - (a) for the words from "Commission" to "Article 70" substitute "appropriate authority may make regulations";
  - (b) in point (c), omit the words from "direct", in the second place it occurs, to "concerning", in the second place it occurs.
- **37.** In Article 15, for the second sentence substitute "The appropriate authority may make regulations amending Annex I, following such a review.".

#### **38.** In Article 31(2)—

- (a) for "Commission shall adopt implementing acts" substitute "appropriate authority may make regulations";
- (b) omit the last sentence.

#### **39.** In Article 34(5)—

- (a) for "Commission shall adopt implementing acts" substitute "appropriate authority may make regulations";
- (b) for "national authorities" substitute "the relevant authority";
- (c) omit the last sentence.

#### **40.** In Article 35—

- (a) in paragraph 1—
  - (i) for the words from "Commission" to "Article 70" substitute "appropriate authority may make regulations";
  - (ii) omit points (e) and (f);
- (b) in paragraph 2, for the words from "Commission" to "Article 70" substitute "appropriate authority may make regulations";
- (c) in paragraph 3, for the words from "Commission" to "Article 70" substitute "appropriate authority may make regulations".
- **41.** In Article 43(12), for the words from "Commission" to "Article 70" substitute "appropriate authority may make regulations".
- **42.** In Article 44(5), for the words from "Commission" to "Article 70" substitute "appropriate authority may make regulations".

## **43.** In Article 45—

- (a) in paragraph 5—
  - (i) for the words from "Commission" to "Article 70" substitute "appropriate authority may make regulations";
  - (ii) omit the words from "rules", in the last place it occurs, to "2 and 3";
- (b) in paragraph 6, for the words from "Commission" to "Article 70" substitute "appropriate authority may make regulations";
- (c) in paragraph 7—
  - (i) for "Commission shall adopt implementing acts" substitute "appropriate authority may make regulations";
  - (ii) omit the last sentence.

#### **44.** In Article 46(9)—

- (a) for the words from "Commission" to "Article 70" substitute "appropriate authority may make regulations";
- (b) in point (c), for "Commission" substitute "appropriate authority";
- (c) omit points (e) and (f).
- **45.** In Article 50(11), for the words from "Commission" to "Article 70" substitute "appropriate authority may make regulations".

#### **46.** In Article 52—

(a) in paragraph 9—

- (i) for "Union funds" substitute "agricultural support";
- (ii) for the words from "Commission" to "Article 70" substitute "Secretary of State may make regulations";
- (iii) for "Union measures" 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";
- (b) in paragraph 10—
  - (i) for the words from "Commission" to "Article 70" substitute "Secretary of State may make regulations";
  - (ii) for "delegated acts", in the second place it appears, substitute "regulations";
  - (iii) for "Member States to decide that such support may" substitute "for support to";
- (c) after paragraph 10 insert—
  - "11. The Secretary of State may not make regulations under paragraph 9 or 10 without the consent of each of the relevant authorities for Wales, Scotland and Northern Ireland.

Where the relevant authority for Wales, Scotland or Northern Ireland requests that the Secretary of State makes regulations under paragraph 9 or 10, the Secretary of State must have regard to that request."

- **47.** In Article 69—
  - (a) for paragraph 1 substitute
    - "1. In order to resolve specific problems, the appropriate authority may make regulations which are both necessary and justifiable in an emergency. Those regulations may derogate from provisions of this Regulation, to the extent and for such a period as is strictly necessary.";
  - (b) omit paragraph 2;
  - (c) in paragraph 3—
    - (i) omit "or 2";
    - (ii) omit the second sentence;
  - (d) omit paragraph 4.
- **48.** For Articles 70 and 71 substitute—

#### "Article 70

## Regulations: General

- **1.** Regulations made by the Secretary of State or the Welsh Ministers under this Regulation are to be made by statutory instrument.
- **2.** For regulations made under this Regulation by the Scottish Ministers, see section 27 of the Interpretation and Legislative Reform (Scotland) Act 2010.
- **3.** Any power of the Department of Agriculture, Environment and Rural Affairs to make regulations under this Regulation is exercisable by statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979.
  - 4. Regulations under this Regulation may:
    - (a) contain consequential, incidental, supplementary, transitional or saving provision (including provision amending, repealing or revoking enactments);

(b) make different provision for different purposes.

#### Article 71

Regulations: the Secretary of State

- 1. Except as specified in paragraph 2 to 6, a statutory instrument containing regulations made by the Secretary of State under this Regulation is subject to annulment in pursuance of a resolution of either House of Parliament.
- **2.** A statutory instrument containing regulations made by the Secretary of State under Articles 6(3), 7(3), 8(3) 15, 43(12), or 52(9) or (10) may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.
- **3.** A statutory instrument containing regulations made by the Secretary of State under Article 69(1) must be laid before Parliament after being made.
- **4.** Regulations made by the Secretary of State under Article 69(1) cease to have effect at the end of the period of 28 days beginning with the day on which the instrument is made unless, during that period, the instrument is approved by resolution of each House of Parliament.
- **5.** In calculating the period of 28 days for the purposes of paragraph 4, no account is to be taken of any time during which:
  - (a) Parliament is dissolved or prorogued, or
  - (b) either House of Parliament is adjourned for more than 4 days.
- **6.** If regulations cease to have effect as a result of paragraph 4, that does not affect the validity of anything previously done under those regulations or prevent the making of new regulations.
- 7. Before making any regulations under this Regulation, other than regulations under Article 69(1), the Secretary of State must consult:
  - (a) such bodies or persons as appear to the Secretary of State to be representative of the interests likely to be substantially affected by the regulations, and
  - (b) such other bodies or persons as the Secretary of State may consider appropriate.

#### Article 71A

Regulations: the Welsh Ministers

- 1. Except as specified in paragraphs 2 to 6, a statutory instrument containing regulations made by the Welsh Ministers under this Regulation is subject to annulment in pursuance of a resolution of National Assembly for Wales.
- **2.** A statutory instrument containing regulations made by the Welsh Ministers under Articles 15 and 43(12) may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, the National Assembly for Wales.
- **3.** A statutory instrument containing regulations made by the Welsh Ministers under Article 69(1) must be laid before the National Assembly for Wales after being made.
- **4.** Regulations made by the Welsh Ministers under Article 69(1) cease to have effect at the end of the period of 28 days beginning with the day on which the instrument containing them is made unless, during that period, the instrument is approved by a resolution of the National Assembly for Wales.

- **5.** In calculating the period of 28 days for the purposes of paragraph 4, no account is to be taken of any time during which the National Assembly for Wales:
  - (a) is dissolved, or
  - (b) in recess for more than 4 days.
- **6.** If regulations cease to have effect as a result of paragraph 4, that does not affect the validity of anything previously done under those regulations or prevent the making of new regulations.
- 7. Before making any regulations under this Regulation, other than regulations under Article 69(1), the Welsh Ministers must consult:
  - (a) such bodies or persons as appear to the Welsh Ministers to be representative of the interests likely to be substantially affected by the regulations, and
  - (b) such other bodies or persons as the Welsh Ministers may consider appropriate.

#### Article 71B

Regulations: the Scottish Ministers

- 1. Except as specified in paragraphs 2 to 6, regulations made by the Scottish Ministers under this Regulation are subject to the negative procedure (see section 28 of the Interpretation and Legislative Reform (Scotland) Act 2010).
- **2.** Regulations made by the Scottish Ministers under Articles 15 and 43(12) are subject to the affirmative procedure (see section 29 of the Interpretation and Legislative Reform (Scotland) Act 2010).
- **3.** Regulations made by the Scottish Ministers under Article 69(1) must be laid before the Scottish Parliament after being made.
- **4.** Regulations made by the Scottish Ministers under Article 69(1) cease to have effect at the end of the period of 28 days beginning with the day on which they are made unless, during that period, the regulations are approved by resolution of the Scottish Parliament.
- **5.** In calculating the period of 28 days for the purposes of paragraph 4, no account is to be taken of any time during which the Scottish Parliament is:
  - (a) dissolved, or
  - (b) in recess for more than 4 days.
- **6.** If regulations cease to have effect as a result of paragraph 4, that does not affect the validity of anything previously done under those regulations or prevent the making of new regulations.
- 7. Before making any regulations under this Regulation, other than regulations under Article 69(1), the Scottish Ministers must consult:
  - (a) such bodies or persons as appear to the Scottish Ministers to be representative of the interests likely to be substantially affected by the regulations, and
  - (b) such other bodies or persons as the Scottish Ministers may consider appropriate.

# Article 71C

Regulations: Northern Ireland

1. Except as specified in paragraphs 2 to 6, regulations made by the Department of Agriculture, Environment and Rural Affairs ("the Department") under this Regulation are

subject to negative resolution within the meaning of section 41(6) of the Interpretation Act (Northern Ireland) 1954 as if they were a statutory instrument within the meaning of that Act.

- **2.** Regulations may not be made by the Department under Articles 15 and 43(12) unless a draft of the regulations has been laid before and approved by a resolution of the Northern Ireland Assembly.
- **3.** Regulations made by the Department under Article 69(1) must be laid before the Northern Ireland Assembly after being made.
- **4.** Regulations made by the Department under Article 69(1) cease to have effect at the end of the period of 28 days beginning with the day on which they are made unless, during that period, the instrument is approved by a resolution of the Northern Ireland Assembly.
- **5.** In calculating the period of 28 days for the purposes of paragraph 4, no account is to be taken of any time during which the Northern Ireland Assembly is:
  - (a) dissolved,
  - (b) in recess for more than 4 days, or
  - (c) adjourned for more than 6 days.
- **6.** If regulations cease to have effect as a result of paragraph 4, that does not affect the validity of anything previously done under those regulations or prevent the making of new regulations.
- 7. Before making any regulations under this Regulation, other than regulations under Article 69(1), the Department must consult:
  - (a) such bodies or persons as appear to the Department to be representative of the interests likely to be substantially affected by the regulations, and
  - (b) such other bodies or persons as the Department may consider appropriate.".

## PART 4

# Amendments to Rural Development Regulations

## Amendment of Regulation (EU) No 1305/2013

- **49.** Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development is amended in accordance with regulations 50 to 72.
  - **50.** In Article 2—
    - (a) in paragraph 1, after point (u)(9) insert—
      - "(v) 'appropriate authority' means—
        - (i) the relevant authority for the constituent nation in which the regulations apply, or
        - (ii) the Secretary of State:
          - (aa) in relation to regulations applying in Scotland, if consent is given by the Scottish Ministers;

<sup>(9)</sup> Article 2(1) of Regulation (EU) No. 1305/2013 is amended to insert new points by The Rural Development (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/XXXX).

- (bb) in relation to regulations applying in Northern Ireland, if consent is given by the Department of Agriculture, Environment and Rural Affairs.";
- (b) in paragraph 3, for the words from "Commission" to "Article 83" substitute "appropriate authority may make regulations".
- **51.** For Article 8(3) substitute—
  - "3. The appropriate authority may make regulations laying down rules for the presentation of the elements described in paragraph 1 in rural development programmes.".
- **52.** For Article 11 substitute—

#### "Article 11

## Amendment of rural development programmes

The appropriate authority may make regulations to supplement or amend Commission Implementing Decision C(2015) 855, Commission Implementing Decision C(2015) 3488, Commission Implementing Decision C(2015) 3489 or Commission Implementing Decision C(2015) 6018 as applicable(10) for the purpose of amending programmes concerning one or more of the following:

- (a) a change in the:
  - (i) programme strategy through a change of more than 50% in the quantified target linked to a focus area;
  - (ii) contribution rate of one or more measures;
  - (iii) annual distribution of the contribution at programme level;
- (b) the introduction or withdrawal of measures or other types of operations;
- (c) transfer of funds between measures.".
- **53.** For Article 12 substitute—

#### "Article 12

# Rules on amendments

The appropriate authority may make regulations setting the frequency of amendments that may be made during the programming period.".

- **54.** In Article 14—
  - (a) in paragraph 5—
    - (i) omit "Union";
    - (ii) from the words "Commission" to "Article 83" substitute "appropriate authority may make regulations";
  - (b) in paragraph 6—
    - (i) in the first subparagraph, for "Commission shall adopt implementing acts" substitute "appropriate authority may make regulations";
    - (ii) omit the second subparagraph.
- **55.** In Article 16(5)—

- (a) for "Union law" substitute "statutory requirements";
- (b) for "Union instruments" substitute "EU-derived domestic legislation or retained direct EU legislation";
- (c) for the words from "Commission" to "Article 83" substitute "appropriate authority may make regulations";
- (d) omit "Union" in the third place it occurs.

## **56.** In Article 19(8)—

- (a) for "EAFRD resources" substitute "support for rural development";
- (b) for the words from "Commission" to "Article 83" substitute "appropriate authority may make regulations";
- (c) omit "by Member states".
- **57.** In Article 22(3), for the words from "Commission" to "Article 83" substitute "appropriate authority may make regulations".

#### **58.** In Article 28—

- (a) in paragraph 10—
  - (i) omit "Union";
  - (ii) for the words from "Commission" to "Article 83" substitute "appropriate authority may make regulations";
- (b) in paragraph 11, for the words from "Commission" to "Article 83" substitute "appropriate authority may make regulations".
- **59.** In Article 29(6), for the words from "Commission" to "Article 83" substitute "appropriate authority may make regulations".
- **60.** In Article 30(8), for the words from "Commission" to "Article 83" substitute "appropriate authority may make regulations".
  - **61.** In Article 33(4)—
    - (a) omit "Union";
    - (b) for the words from "Commission" to "Article 83" substitute "appropriate authority may make regulations".
  - **62.** In Article 34(5)—
    - (a) for "EAFRD budgetary resources" substitute "support for rural development";
    - (b) for the words from "Commission" to "Article 83" substitute "appropriate authority may make regulations".
  - **63.** In Article 35(10)—
    - (a) for "EAFRD budgetary resources" substitute "support for rural development";
    - (b) for the words from "Commission" to "Article 83" substitute "appropriate authority may make regulations".
  - **64.** In Article 36(5)—
    - (a) for "EAFRD budgetary resource" substitute "support for rural development";
    - (b) for the words from "Commission" to "Article 83" substitute "appropriate authority may make regulations".
  - **65.** in Article 41—

- (a) In the first paragraph—
  - (i) for the words from "Commission" to "acts" substitute "the appropriate authority may make regulations";
  - (ii) in point (b), for "Member State" substitute "Managing Authority";
- (b) omit the second paragraph.
- **66.** In Article 45(6), for the words from "Commission" to "Article 83" substitute "appropriate authority may make regulations".
  - **67.** In Article 47(6)—
    - (a) for "secure the financial interests of the Union" substitute "proper management of public money";
    - (b) for the words from "Commission" to "Article 83" substitute "appropriate authority may make regulations".
  - **68.** In Article 58—
    - (a) in paragraph 7, for the words from "Commission" to "Article 83" substitute "Secretary of State may make regulations";
    - (b) after paragraph 7 insert—
      - "7A. The Secretary of State may not make regulations under paragraph 7 without the consent of each of the relevant authorities for Wales, Scotland and Northern Ireland.

Where the relevant authority for Wales, Scotland or Northern Ireland requests that the Secretary of State makes regulations under paragraph 7, the Secretary of State must have regard to that request.".

**69.** For Article 67 substitute—

#### "Article 67

#### Monitoring and evaluation system

The appropriate authority may make regulations setting out a monitoring and evaluation system.".

- **70.** In Article 75(5)—
  - (a) for the words from "Commission" to "acts" substitute "appropriate authority may make regulations";
  - (b) omit the last sentence.
- **71.** For Article 76(1) substitute—
  - "1. The appropriate authority may make regulations establishing the minimum requirements for the evaluation plan referred to in Article 56 of Regulation (EU) No. 1303/2013."
- 72. For Articles 83 and 84 substitute—

#### "Article 83

#### Regulations

**1.** Regulations made by the Secretary of State or the Welsh Ministers under this Regulation are to be made by statutory instrument.

- **2.** For regulations made under this Regulation by the Scottish Ministers, see section 27 of the Interpretation and Legislative Reform (Scotland) Act 2010.
- **3.** Any power of the Department of Agriculture, Environment and Rural Affairs to make regulations under this Regulation is exercisable by statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979.
  - 4. Regulations under this Regulation may:
    - (a) contain consequential, incidental, supplementary, transitional or saving provision (including provision amending, repealing or revoking enactments);
    - (b) make different provision for different purposes.
- **5.** Before making any regulations under this Regulation, the person or Department making the regulations must consult:
  - (a) such bodies or persons as appear to the person or Department to be representative of the interests likely to be substantially affected by the regulations, and
  - (b) such other bodies or persons as the person or Department may consider appropriate.

## Article 84

## Regulations: parliamentary procedure

- 1. A statutory instrument containing regulations made by the Secretary of State under this Regulation is subject to annulment in pursuance of a resolution of either House of Parliament.
- **2.** A statutory instrument containing regulations made by the Welsh Ministers under this Regulation is subject to annulment in pursuance of a resolution of the National Assembly for Wales.
- **3.** Regulations made by the Scottish Ministers under this Regulation are subject to the negative procedure (see section 28 of the Interpretation and Legislative Reform (Scotland) Act 2010).
- **4.** Regulations made by the Department of Agriculture, Environment and Rural Affairs under this Regulation are subject to negative resolution within the meaning of section 41(6) of the Interpretation Act (Northern Ireland) 1954 as if they were a statutory instrument within the meaning of that Act.".

## Amendment of Regulation (EU) No 1303/2013

- **73.** Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund as amended by the European Structural and Investment Funds Common Provisions (Amendment) (EU Exit) Regulations 2019(11) is amended in accordance with regulations 74 to 86.
  - 74. In Article 2(12), at the end insert—

<sup>(11)</sup> S.I. 2019/XXX

<sup>(12)</sup> The European Structural and Investment Funds Common Provisions (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/XXXX) amend Article 2 of Regulation (EU) No. 1303/2013 to insert new subparagraphs (including a definition of "relevant authority").

- "(47) 'appropriate authority' means:
  - (a) in relation to regulations which relate to support under Regulation (EU) No 508/2014, the Secretary of State;
  - (b) in relation to regulations which relate to rural development:
    - (i) subject to point (ii):
      - (aa) insofar as the regulations apply in England, the Secretary of State;
      - (bb) insofar as the regulations apply in Wales, the Welsh Ministers;
      - (cc) insofar as the regulations apply in Scotland, the Scottish Ministers;
      - (dd) insofar as the regulations apply in Northern Ireland, the Department of Agriculture, Environment and Rural Affairs, or
    - (ii) the Secretary of State:
      - (aa) for regulations applying in Scotland, if consent is given by the Scottish Ministers;
      - (bb) for regulations applying in Northern Ireland, if consent is given by the Department of Agriculture, Environment and Rural Affairs.
- (48) Where the appropriate authority is the Secretary of State by virtue of paragraph (47) (a):
  - (a) the Secretary of State may not make regulations without the consent of each of the relevant authorities for Wales, Scotland and Northern Ireland, and
  - (b) where the relevant authority for Wales, Scotland or Northern Ireland requests that the Secretary of State makes regulations, the Secretary of State must have regard to that request.".
- **75.** Omit Article 5(3).
- **76.** In Article 8, for the third paragraph substitute—

"The appropriate authority may make regulations setting out uniform conditions for support for rural development for the application of the methodology referred to in the second paragraph.".

- 77. For Article 37(13) substitute—
  - "13. The appropriate authority may make regulations in relation to support for rural development laying down additional specific rules on the purchase of land and on combining technical support with financial instruments."
- **78.** In Article 38—
  - (a) in paragraph 3, in the second subparagraph—
    - (i) for "Commission shall adopt implementing acts" substitute "appropriate authority may make regulations in relation to support for rural development";
    - (ii) omit the second sentence;
  - (b) in paragraph 4, omit the final subparagraph;
  - (c) in paragraph 10—
    - (i) for "The Commission shall adopt implementing acts" substitute "The appropriate authority may make regulations in relation to support for rural development";
    - (ii) omit the second sentence.
- **79.** In Article 41(3), for the words from "Commission" to "Article 149" substitute "appropriate authority may make regulations in relation to support for rural development".

#### **80.** In Article 42—

- (a) in paragraph 1, in the second subparagraph, for the words from "Commission" to "Article 149" substitute "appropriate authority may make regulations in relation to support for rural development";
- (b) in paragraph 5, for "the delegated act referred to in" substitute "legislation made under";
- (c) in paragraph 6, for the words from "Commission" to "Article 149" substitute "appropriate authority may make regulations in relation to support for rural development.

#### **81.** In Article 61(3)—

- (a) in the second subparagraph, for the words from "Commission" to "Article 149" substitute "appropriate authority may make regulations";
- (b) omit the third subparagraph;
- (c) in the fourth subparagraph—
  - (i) for the words from "Commission" to "Article 149" substitute "appropriate authority may make regulations";
  - (ii) for "supported by the ESI funds" substitute "funded by support for rural development";
- (d) in the sixth subparagraph, for the words from "the adoption" to "subparagraphs" substitute "legislation in accordance with the fourth subparagraph";
- (e) in the seventh subparagraph, for the words from "Commission" to "Article 149" substitute "appropriate authority may make regulations".

#### **82.** In Article 63—

- (a) in paragraph 4, for the words from "Commission" to "Article 149" substitute "appropriate authority may make regulations";
- (b) in paragraph 5, for "a delegated act adopted" substitute "regulations made".
- **83.** In Article 64(4), for the words from "Commission" to "Article 149" substitute "appropriate authority may make regulations".

## **84.** In Article 67—

- (a) in paragraph 1(e), for "the delegated act adopted in accordance with" substitute "legislation made under";
- (b) in paragraph 5a, for the words from "Commission" to "Article 149" substitute "appropriate authority may make regulations".
- **85.** In Article 68, in the second subparagraph, for the words from "Commission" to "Article 149" substitute "appropriate authority may make regulations".
  - **86.** For Articles 149 and 150 substitute—

#### "Article 149

#### Regulations

- **1.** Regulations made by the Secretary of State or the Welsh Ministers under this Regulation are to be made by statutory instrument.
- **2.** For regulations made under this Regulation by the Scottish Ministers, see section 27 of the Interpretation and Legislative Reform (Scotland) Act 2010.

- **3.** Any power of the Department of Agriculture, Environment and Rural Affairs to make regulations under this Regulation is exercisable by statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979.
- **4.** A statutory instrument containing regulations made by the Secretary of State under this Regulation is subject to annulment in pursuance of a resolution of either House of Parliament.
- **5.** A statutory instrument containing regulations made by the Welsh Ministers under this Regulation is subject to annulment in pursuance of a resolution of the National Assembly for Wales.
- **6.** Regulations made by the Scottish Ministers under this Regulation are subject to the negative procedure (see section 28 of the Interpretation and Legislative Reform (Scotland) Act 2010).
- 7. Regulations made by the Department of Agriculture, Environment and Rural Affairs under this Regulation are subject to negative resolution within the meaning of section 41(6) of the Interpretation Act (Northern Ireland) 1954 as if they were a statutory instrument within the meaning of that Act.
  - **8.** Regulations under this Regulation may:
    - (a) contain consequential, incidental, supplementary, transitional or saving provision (including provision amending, repealing or revoking enactments);
    - (b) make different provision for different purposes.
- **9.** Before making any regulations under this Regulation, the person or Department making the regulations must consult:
  - (a) such bodies or persons as appear to the person or Department to be representative of the interests likely to be substantially affected by the regulations, and
  - (b) such other bodies or persons as the person or Department may consider appropriate.".

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

Date

**Draft Legislation:** This is a draft item of legislation. This draft has since been made as a UK Statutory Instrument: The Agriculture (Legislative Functions) (EU Exit) Regulations 2019 No. 748

#### **EXPLANATORY NOTE**

(This note is not part of the Regulations)

These Regulations are made in exercise of the powers conferred by 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)(a), (b), (d) and (g)) arising from the withdrawal of the United Kingdom from the European Union.

They make amendments to legislation in the field of the common agricultural policy, providing for functions of EU entities of making an instrument of a legislative character to be exercisable instead by a public authority in the United Kingdom.

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