## **EXPLANATORY NOTE**

(This note is not part of the Regulations)

These Regulations apply to Scotland and to land outside Scotland, where it is part of a cross border holding and Scottish Ministers are the appropriate authority. Scottish Ministers are the appropriate authority for land outside Scotland where the claimant's holding comprises land within Scotland and outwith Scotland and the area aid application for 1999 is submitted to the Secretary of State for Scotland.

The Regulations revoke the Hill Livestock (Compensatory Allowances) 1996 Regulations (S.I.1996/1500) as amended by the Hill Livestock (Compensatory Allowances) (Amendment) 1998 Regulations (S.I. 1998/206), and the Hill Livestock (Compensatory Allowances) (Amendment) 1999 Regulations (S.I. 1999/375) ("the revoked set of Regulations") all of which applied to Great Britain. They amend and codify the revoked set of Regulations.

The Regulations implement Council Regulation (EC) No. 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (O.J. No. L160, 26.6.1999, p.80), Commission Regulation (EC) No. 1750/1999 laying down detailed rules for the application of Council Regulation No. 1257/1999 (O.J. No. 13.8.1999, p.31), and Commission Regulation (EC) No. 2603/1999 laying down transitional rules for rural development support (O.J. No. L316, 10.12.1999). Whereas Council Regulation (EC) No. 1257/1999 provides for a system based on hectare for compensatory allowances from the year 2000, the Commission Regulation No. 2603/1999 allows to continue with allowances paid on a headage basis for the year 2000 only.

Compensatory allowances are paid for breeding cows and ewes on farms in severely disadvantaged or disadvantaged land in Scotland, at specified rates (regulations 3 and 4(1) and (2), and Parts I and II of the Schedule). There are limits on the number of animals for which allowances may be paid (regulations 7 and 8) and the total amount a claimant may receive per hectare of his forage areas (Part III of the Schedule).

The Regulations impose penalties for unsuitable supplementary feeding methods (regulations 7(3) and (4) and 8(3) and (4)) and for overgrazing (regulation 10).

Regulations 14 and 15 contain powers of enforcement, regulation 17 provides for withholding or recovery of compensatory allowances where there is a breach of the rules of the Scheme, and regulations 19 to 22 deal with offences and penalties.