
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations introduce measures to supplement Council Regulation (EC) No. 1698/2005 (“the Council Regulation”) which lays down general rules governing Community support for rural development, financed by the European Agricultural Fund for Rural Development established by Council Regulation (EC) No. 1290/2005.

They also implement Article 74(1) of the Council Regulation and Article 9(1) of Council Regulation (EC) No. 1290/2005 (O.J. No. L 209, 11.8.2005, p.1.), which require Member States to adopt legislative and administrative provisions to ensure that the Community’s financial interests in relation to expenditure on rural development are effectively protected.

These Regulations establish a framework for the payment in Scotland of grants towards projects associated with the processing and marketing of agricultural products. Grants under these Regulations must fulfil an agricultural purpose provided for in–

- (a) articles 20(b)(iii) and 28 of the Council Regulation (adding value to agricultural products);
- (b) articles 20(b)(iv) and 29 of the Council Regulation (promoting cooperation for development of new products, processes and technologies in the agriculture and food sector); or

both paragraphs (a) and (b).

Regulation 4 sets out what costs of a project a grant under these Regulations can support.

Regulation 5 makes provision for determining grant applications.

Regulation 6 gives the Scottish Ministers power to make payments of grant under the Regulations.

Regulation 7 gives the Scottish Ministers power to issue guidance on applying for grant, the costs which may be supported by grant under the Regulations, and generally how the Scottish Ministers intend to perform their functions under the Regulations.

Regulation 8 provides for the retention of information and records.

Regulation 9 confers powers of entry and inspection for authorised persons to enforce the Regulations.

Regulation 10 makes provision for the revocation and variation of approval and the withholding or recovery of grants.

Regulation 11 makes provision for the payment of interest on grants recovered under regulation 10.

Regulations 12 creates offences of knowingly or recklessly making a false statement to obtain grants or obstructing authorised persons acting under the Regulations.

Regulation 13 makes provision for offences under regulation 12 committed by bodies corporate.