
STATUTORY INSTRUMENTS

1995 No. 1576

**SEA FISHERIES
FISH FARMING**

SEA FISH INDUSTRY

The Fisheries and Aquaculture
Structures (Grants) Regulations 1995

<i>Made</i>	- - - -	<i>20th June 1995</i>
<i>Laid before Parliament</i>		<i>21st June 1995</i>
<i>Coming into force</i>	- -	<i>22nd June 1995</i>

The Minister of Agriculture, Fisheries and Food and the Secretary of State, being Ministers designated⁽¹⁾ for the purposes of section 2(2) of the European Communities Act 1972⁽²⁾ in relation to the common agricultural policy of the European Community, acting jointly, in exercise of the powers conferred on them by the said section 2(2) and of all other powers enabling them in that behalf, hereby make the following Regulations:

Title and commencement

1. These Regulations may be cited as the Fisheries and Aquaculture Structures (Grants) Regulations 1995 and shall come into force on 22nd June 1995.

Interpretation

2.—(1) In these Regulations, unless the context otherwise requires—

“application” means an application as described in regulation 3(1) and “applicant” shall be construed accordingly;

“the appropriate Minister” means, in relation to relevant operations in England, the Minister of Agriculture, Fisheries and Food and, in relation to relevant operations in Scotland, Wales or Northern Ireland, the Secretary of State;

“authorised officer” means an officer authorised in writing by the appropriate Minister for the purposes of these Regulations and includes any duly appointed official of the Commission who accompanies such an authorised officer;

(1) S.I. 1972/1811.
(2) 1972 c. 68.

“the Commission” means the Commission of the European Communities;

“the Commission Notice” means Commission Notice 94/C180 laying down guidelines for global grants or integrated operational programmes for which Member States are invited to submit applications for assistance within the framework of a Community initiative (the Pesca initiative) concerning the restructuring of the fisheries sector⁽³⁾;

“Community aid” means aid available from the Financial Instrument for Fisheries Guidance and payable in accordance with the Community Acts;

“the Community Acts” means—

- (a) Council Regulation (EEC) No. 2052/88 on the tasks of the Structural Funds and their effectiveness and on co-ordination of their activities between themselves and with the operations of the European Investment Bank and other existing financial instruments⁽⁴⁾ as amended⁽⁵⁾;
- (b) Council Regulation (EEC) No. 4253/88 laying down provisions for implementing Regulation (EEC) No.2052/88⁽⁶⁾ as amended⁽⁷⁾;
- (c) Council Regulation (EEC) No. 2080/93 laying down provisions for implementing Council Regulation (EEC) No. 2052/88 as regards the Financial Instrument for Fisheries Guidance⁽⁸⁾;
- (d) the Council Regulation;
- (e) the Commission Notice;
- (f) Commission Decision 94/638/EC on the adoption of the single programming document for Community structural assistance in the Highlands and Islands Enterprise area concerned by Objective 1 in the United Kingdom⁽⁹⁾; and
- (g) Commission Decision 94/935/EC on the adoption of the Community programme for structural assistance in the fisheries and aquaculture sector and the processing and marketing of its products in the United Kingdom⁽¹⁰⁾;

“the control period”, in relation to a relevant operation, means a period of three years commencing with the last payment of financial assistance in respect of that operation;

“the Council Regulation” means Council Regulation (EC) No. 3699/93 laying down the criteria and arrangements regarding Community structural financial assistance in the fisheries and aquaculture sector and the processing and marketing of its products⁽¹¹⁾;

“eligible expenditure” has the meaning assigned to it in regulation 3(2);

“financial assistance” means any amount by way of grant or Community aid;

“grant” means a fisheries and aquaculture structures grant under these Regulations;

“relevant conditions” means any conditions relating to an approval of an application which have been notified to the applicant under regulation 5(2)(b);

“relevant documents” has the meaning assigned to it in regulation 10;

“relevant operation” means—

(3) O.J. No. 94/C180, 1.7.94, p.1.
 (4) O.J. No. L185, 15.7.88, p.9.
 (5) See Council Regulation (EEC) No. 2081/93 (O.J. No. L193, 31.7.93, p.5).
 (6) O.J. No. L374, 31.12.88, p.1.
 (7) See Council Regulation (EEC) No. 2082/93 (O.J. No. L193, 31.7.93, p.20).
 (8) O.J. No. L193, 31.7.93, p.1.
 (9) O.J. No. L250, 26.9.94, p.56.
 (10) O.J. No. L364, 31.12.94, p.69.
 (11) O.J. No. L346, 31.12.93, p.1.

- (a) an investment or project in Great Britain in respect of which Community aid is claimed or paid in respect of—
 - (i) aquaculture (Article 11(1) of the Council Regulation);
 - (ii) the construction of protected underwater areas with a view to the development of coastal waters (Article 11(1) of the Council Regulation);
 - (iii) improvement of fishing port facilities (Article 11(1) of the Council Regulation);
 - (iv) processing and marketing of fisheries and aquaculture products (Article 11(1) of the Council Regulation);
 - (v) promotion of fisheries and aquaculture products (Article 12 of the Council Regulation);
 - (vi) any measure falling within Part IV of the Commission Notice;
- (b) an investment or project in the United Kingdom in respect of which Community aid is claimed or paid in respect of the modernisation of fishing vessels as follows—
 - (i) any investments or projects where modernisation of the vessel takes the form of the acquisition, installation, modification, renewal or replacement of any equipment required for, or installed or used on or in, the vessel (excluding engines or other machinery for propelling the vessel or any items of a structural nature) for the purpose of obtaining for that vessel a fishing vessel certificate under the provisions of the Fishing Vessels (Safety Provisions) Rules 1975(12);
 - (ii) as regards investments or projects where modernisation does not fall within paragraph (i) above modernisation measures in that part of Scotland known as the Highlands and Islands Enterprise area which fall within the single programming document for Community structural assistance approved by Commission Decision [94/638/EC](#) (Article 10(2) of the Council Regulation).

(2) Other expressions used in these Regulations have, insofar as the context admits, the same meanings as in the Community Acts.

(3) Any reference in these Regulations to a numbered regulation shall, unless the context otherwise requires, be construed as a reference to the regulation bearing that number in these Regulations.

Fisheries and aquaculture structures grants

3.—(1) Any person who proposes to undertake a relevant operation which is eligible for Community aid may make an application to the appropriate Minister in accordance with regulation 4 for approval under regulation 5 of—

- (a) that operation, and
- (b) expenditure incurred in connection with that operation,

with a view to obtaining financial assistance towards such expenditure in accordance with the Community Acts and these Regulations.

(2) Subject to the provisions of these Regulations the appropriate Minister may make to an applicant whose application he has so approved a grant towards such expenditure as he has approved as eligible for the receipt of Community aid (in these Regulations referred to as “eligible expenditure”).

(12) S.I. 1975/330, amended by S.I. 1975/471, 1976/432, 1977/313, 498, 1978/1598, 1873, 1981/567, 1991/1342 and by the Fisheries Act 1981, Schedule 3, paragraph 8(3).

- (3) The amount of any such grant shall be in accordance with regulation 7.

Applications

4.—(1) Applications shall be made in such form and manner and at such time, shall include such information and shall be delivered at such address as the appropriate Minister may from time to time require.

(2) Applicants shall furnish all such further information relating to the application as the appropriate Minister may require.

Approval of applications

5.—(1) Subject to the Community Acts and the provisions of these Regulations, the appropriate Minister as he thinks fit—

- (a) may refuse to approve an application or approve it in whole or in part for the purposes of financial assistance;
- (b) may cause any such approval to be given, and any payments by way of financial assistance to be made, subject to conditions;
- (c) may amend such conditions with the applicant's written consent.

(2) The appropriate Minister shall in writing—

- (a) notify applicants for the result of their applications;
- (b) notify applicants whose applications he has approved under this regulation of any conditions, relating to such approvals, which he has determined or amended under paragraph (1) above.

Eligibility for payment of financial assistance

6.—(1) Subject to paragraph (2) below and regulation 14, an applicant whose application has been approved under regulation 5 shall be eligible for payment of grant in accordance with regulation 7.

(2) No financial assistance shall be paid in respect of an approved application unless the appropriate Minister has been supplied with—

- (a) evidence that the amount of expenditure for which financial assistance is claimed has been incurred including details of any discount received by the applicant; and
- (b) evidence that the relevant operation to which the application relates has been properly executed.

Amount of grant

7.—(1) Subject to paragraphs (2) and (3) below, the amount of grant which an applicant who is eligible for payment of grant under paragraph 6 shall be paid shall be at least five per cent of the eligible expenditure in respect of the application.

(2) Where any other grant is payable under United Kingdom public funds in relation to the eligible expenditure, the amount of grant shall be such sum which, when added to that grant, equals at least five per cent of such expenditure.

(3) No grant shall be payable in respect of—

- (a) any application made by the Sea Fish Industry Authority⁽¹³⁾ for approval of an investment or project for the promotion of fisheries products;

(13) The Sea Fish Industry Authority is established by section 1 of, and Schedule 1 to, the Fisheries Act 1981.

- (b) any application for approval of an investment or project in that part of Scotland known as the Highlands and Islands Enterprise area falling within paragraph (b)(i) of the definition of relevant operation provided in regulation 2(1).

Method of payment of financial assistance

8. Payments by way of financial assistance may be made at such time, or by such instalments at such intervals or times, as the appropriate Minister may determine.

Undertakings

9. Any person whose application has been approved under regulation 5 may be required by the appropriate Minister to give such undertakings as that Minister may consider appropriate to the case.

Records

10. Any person whose application has been approved under regulation 5 shall keep a record of expenditure incurred in connection with the relevant operation to which the approved application relates and during the carrying out of the relevant operation, on completion of the relevant operation and thereafter for the duration of the control period shall retain such record and any invoice, account or other document which relates to the relevant operation (in these Regulations together referred to as “relevant documents”) except to the extent that an authorised officer has required the production of, or has removed, any such record or document under regulation 12(5).

Assistance to authorised officers

11. Any applicant or any employee, servant or agent of any applicant shall give to an authorised officer such assistance as he may reasonably request to exercise any power conferred upon him by regulation 12.

Powers of authorised officers

12.—(1) An authorised officer may at all reasonable hours and on producing, if required to do so, some duly authenticated document showing his authority, exercise the powers specified in this regulation for the purpose of ascertaining whether and to what extent in respect of any application—

- (a) the relevant operation to which the application relates should be approved;
- (b) any expenditure in respect of which financial assistance is claimed should be approved;
- (c) any relevant conditions and any undertakings given by the applicant have been complied with;
- (d) any amount of financial assistance should be reduced, withheld or recovered under regulation 14;
- (e) an offence under regulation 15 has been or is being committed.

(2) An authorised officer may enter upon any premises, other than premises used only as a dwelling, which are, or which such officer has reasonable cause to believe are, relevant premises.

(3) Any authorised officer who has entered any premises in accordance with paragraph (2) above may inspect those premises, any equipment which is, or which such officer has reasonable cause to believe is, relevant equipment and any documents on those premises which are, or which such officer has reasonable cause to believe are, relevant documents.

(4) An authorised officer entering any premises by virtue of this regulation may take with him such other person as he considers necessary.

- (5) An authorised officer may—

- (a) require an applicant or an employee, servant or agent of an applicant to produce any relevant documents and to supply such additional information in that person's possession or under his control relating to the relevant operation as the officer may reasonably request;
 - (b) inspect any such documents and, where any such documents are kept by means of a computer, have access to, and inspect and check the operation of, any computer and any associated apparatus or material which is or has been used in connection with those documents;
 - (c) require that copies of, or extracts from, any relevant documents be produced;
 - (d) remove and retain for a reasonable period any such relevant document which he has reason to believe may be required as evidence in proceedings under these Regulations and, where any such document is kept by means of a computer, require it to be produced in a form in which it may be taken away and in which it is visible and legible.
- (6) In this regulation—
- “premises” includes any vessel or other vehicle;
 - “relevant equipment” means any plant, machinery or other equipment for which financial assistance has been claimed or paid;
 - “relevant premises” means any premises to which a relevant operation relates or in which relevant documents or relevant equipment are retained.

Protection of officers

13. Any authorised officer shall not be liable in any civil or criminal proceedings for anything done in the purported exercise of the powers conferred on him by virtue of regulation 12 if the court is satisfied that the act was done in good faith, that there were reasonable grounds for doing it and that it was done with reasonable skill and care.

Reduction, withholding and recovery of financial assistance

14. If at any time after the appropriate Minister has approved an application in respect of a relevant operation it appears to him that any of the relevant conditions have not been complied with and in particular (without prejudice to the generality of such conditions) that—

- (a) the application or any part of it was not an application which the applicant was eligible to make;
- (b) the applicant or an employee, servant or agent of an applicant—
 - (i) has failed to comply with a requirement imposed by regulation 10 or under regulation 11 or 12(5);
 - (ii) has intentionally obstructed any officer in the exercise of his powers under regulation 12; or
 - (iii) has given information on any matter relevant to the giving of the approval or the making of a payment relevant to the approval which is false or misleading in a material respect;
- (c) the operation was commenced before the date on which the appropriate Minister gave written permission to do so;
- (d) the operation in respect of which the expenditure was incurred has not been carried out or has not been properly carried out;
- (e) the operation has been or is being unreasonably delayed beyond the time limits set out in the notification of approval or is unlikely to be completed;
- (f) any undertakings given by the applicant have not been complied with; or

(g) the Commission has decided to reduce, suspend or discontinue Community aid⁽¹⁴⁾, he may revoke the approval of such application in whole or in part or may reduce or withhold any financial assistance in respect of the operation and, where payment by way of financial assistance has been made, may on demand recover, as a civil debt or, in Scotland, as a debt, an amount equal to the whole or any part of the payment which has been so made.

Offences and penalties

15.—(1) If any person, for the purposes of obtaining financial assistance for himself or any other person—

- (a) in furnishing any information in purported compliance with a requirement imposed by or under regulation 4(1) or (2) or 12(5)(a) knowingly or recklessly makes a statement which is false or misleading in a material particular; or
- (b) in purported compliance with a requirement imposed under regulation 12(5)(a) or (c) knowingly or recklessly produces a document which is false or misleading in a material particular,

he shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

(2) If any person—

- (a) fails to comply with the requirement imposed by regulation 10; or
- (b) fails to comply with a request made under regulation 11; or
- (c) intentionally refuses to supply any information, make any return, or produce any document when required to do so by, or otherwise intentionally obstructs, an authorised officer (or a person accompanying him and acting on his instructions) acting in exercise of a power conferred by regulation 12,

he shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.

(3) Proceedings for an offence under paragraph (1) or (2) above may, subject to paragraph (4) below, be commenced within the period of six months from the date on which evidence sufficient in the opinion of the prosecutor to justify the proceedings comes to his knowledge.

(4) No such proceedings shall be commenced by virtue of this regulation more than five years after the commission of the offence.

(5) For the purposes of this regulation—

- (a) a certificate signed by or on behalf of the prosecutor and stating the date on which evidence sufficient in his opinion to warrant the proceedings came to his knowledge shall be conclusive evidence sufficient of that fact;
- (b) a certificate stating that matter purporting to be so signed shall be deemed to be so signed unless the contrary is proved.

(6) In relation to proceedings in Scotland, subsection (3) of section 331 of the Criminal Procedure (Scotland) Act 1975⁽¹⁵⁾ (date of commencement and proceedings) shall apply for the purposes of this regulation as it applies for the purposes of that section.

(7) Where an offence under this regulation which has been committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, a director, manager, secretary or other similar officer of the body corporate, or any

⁽¹⁴⁾ See Article 15(3) of the Council Regulation and Article 24(2) of Council Regulation (EEC) No. 4253/88.

⁽¹⁵⁾ 1975 c. 21.

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person who was purporting to act in any such capacity, he as well as the body corporate shall be guilty of that offence and be liable to be proceeded against and punished accordingly.

(8) Where the affairs of a body corporate are managed by its members, paragraph (7) above shall apply in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.

(9) In paragraphs (7) and (8) above references to a “body corporate” include references to a partnership in Scotland and, in relation to such partnership, any reference to a director or other officer of a body corporate is a reference to a partner.

Prosecutions

16. Proceedings for an offence under regulation 15 shall not, in England and Wales or Northern Ireland, be instituted except by the appropriate Minister.

20th June 1995

Michael Jack
Minister of State, Ministry of Agriculture,
Fisheries and Food

20th June 1995

Hector Monro
Parliamentary Under Secretary of State, Scottish
Office

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations supplement Council Regulation (EEC) No. 3699/93 (OJ No. L346, 31.12.93, p.1) (“the Council Regulation”) which lays down the criteria and arrangements regarding Community structural financial assistance in the fisheries and aquaculture sector and the processing and marketing of its products, as read with—

- (a) Council Regulation (EEC) No. 2052/88 on the tasks of the Structural Funds and their effectiveness and on co-ordination of their activities between themselves and with the operations of the European Investment Bank and other existing financial instruments, as amended by Council Regulation (EEC) No. 2081/93 (O.J. No. L185, 15.7.88, p.9 and O.J. No. L193, 31.7.93, p.5),
- (b) Council Regulation (EEC) No. 4253/88 laying down provisions for implementing Regulation (EEC) No. 2052/88, as amended by Council Regulation (EEC) No. 2082/93 (O.J. No. L374, 31.12.88, p.1. and O.J. No. L193, 31.7.93, p.20),
- (c) Council Regulation (EEC) No. 2080/93 laying down provisions for implementing Council Regulation (EEC) No. 2052/88 as regards the Financial Instrument for Fisheries Guidance (O.J. No. L193, 31.7.93, p.1),
- (d) Commission Notice 94/C180 laying down guidelines for global grants or integrated operational programmes for which Member States are invited to submit applications for assistance within the framework of a Community initiative (known as the Pesca initiative) concerning the restructuring of the fisheries sector (O.J. No. 94/C180, 1.7.94, p.1),
- (e) Commission Decision 94/638/EC on the adoption of the single programming document for Community structural assistance in the Highlands and Islands Enterprise area concerned by Objective 1 in the United Kingdom (O.J. No. L250, 26.9.94, p.56), and
- (f) Commission Decision 94/935/EC on the adoption of the Community programme for structural assistance in the fisheries and aquaculture sector and the processing and marketing of its products in the United Kingdom (O.J. No. L364, 31.12.94, p.69)

(“the Community Acts”).

These Regulations provide for and regulate the payment of grants by Ministers towards expenditure in respect of specified types of investments or projects (“relevant operations”) which Ministers have approved for the payment of aid from the Financial Instrument for Fisheries Guidance in accordance with the Council Regulation and the Community Acts (“Community aid”) and regulate the payment of Community aid in respect of relevant operations which Ministers have so approved.

Relevant operations consist of investments or projects in Great Britain relating to—

- (a) aquaculture (Article 11(1) of the Council Regulation);
- (b) the construction of protected underwater areas with a view to the development of coastal waters (Article 11(1) of the Council Regulation);
- (c) improvement of fishing port facilities (Article 11(1) of the Council Regulation);
- (d) processing and marketing of fisheries and aquaculture products (Article 11(1) of the Council Regulation);
- (e) promotion of fisheries and aquaculture products (Article 12 of the Council Regulation);
- (f) any measure falling within Part IV of Commission Notice 94/C180.

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In addition relevant operations consist of investments or projects in the United Kingdom in respect of the modernisation of fishing vessels (Article 10(2) of the Council Regulation). These cover—

- (a) any investments or projects where modernisation of the vessel takes the form of the acquisition, installation, modification, renewal or replacement of any equipment required for, or installed or used on or in, the vessel (excluding engines or other machinery for propelling the vessel or any items of a structural nature) for the purpose of obtaining for that vessel a fishing vessel certificate under the provisions of the Fishing Vessels (Safety Provisions) Rules 1975 (SI 1975/330), as amended;
- (b) as regards any investments or projects relating to other types of vessel modernisation, vessel modernisation measures in the Highlands and Islands Enterprise area of Scotland falling within the single programming document for Community structural assistance approved by Commission Decision 94/638/EC.

The Regulations lay down a procedure for the making and approval of applications for approval of relevant operations and expenditure (regulations 4 and 5) for the purpose of grant and Community aid (“financial assistance”). Financial assistance is dependent on proof of expenditure incurred and proper execution of the relevant operation (regulation 6).

The rate of grant payable by Ministers, being an amount sufficient to enable relevant operations to qualify for Community aid, is specified (regulation 7). Provision is made concerning the method of payment of financial assistance (regulation 8) and Ministers may require undertakings to be given by a person whose application is approved (regulation 9).

For a period of three years from the last payment of grant in respect of a relevant operation approved under the Regulations applicants are required to retain certain records (regulation 10). They are required, on request, to give assistance to authorised officers of the Ministers, who are given powers of entry and inspection for specified purposes (regulations 11 to 13) and provision is made for the reduction, withholding and recovery of financial assistance paid in certain circumstances (regulation 14). The Regulations create and make provision in connection with the prosecution of offences in respect of false statements made to obtain financial assistance and failure to comply with requests made by, or the obstruction of, authorised officers in exercise of their powers of entry and inspection and prescribe penalties for such offences (regulations 15 and 16).