EXPLANATORY NOTE

(This note is not part of the Regulations)

1. These Regulations ("the Regulations") make a number of amendments to the Sheep Annual Premium and Suckler Cow Premium Quotas Regulations 1993 ("the 1993 Regulations") [S.I.1993/1626, as already amended by S.I. 1993/3036 and S.I. 1994/2894]. Like the 1993 Regulations, the Regulations extend to the United Kingdom as a whole.

2. The Regulations—

- (a) update a number of references to Community instruments which appear in regulation 2(1) of the 1993 Regulations (regulation 2(2)(a) to (d));
- (b) amend the definition of "the national reserve for any given year later than 1993" appearing in regulation 2(1) of the 1993 Regulations (regulation 2(2)(e);
- (c) substitute a definition of "quota" for the existing definition of that word appearing in regulation 2(1) of the 1993 Regulations (regulation 2(2)(f);
- (d) insert definitions of "sheep annual premium quota" and "suckler cow premium quota" into regulation 2(1) of the 1993 Regulations (regulation 2(2)(g) and (h));
- (e) insert 2 new paragraphs into regulation 2 of the 1993 Regulations, with the effect of modifying the definition of the phrase "the national reserve for any given year later than 1993" which appears in paragraph (1) of that regulation (regulation 2(3));
- (f) amend regulation 5 of the 1993 Regulations, which deals with the notification of transfers and leases of quota (regulation 2(4));
- (g) substitute a new regulation 7, establishing principles for determining whether or not a producer has transferred quota together with his holding, for the existing regulation 7 of the 1993 Regulations (regulation 2(5));
- (h) amend paragraph (9) of regulation 13A to ensure that the mechanism for deducting purchased quota from national reserve allocations which is set out in it applies to quota acquired in respect of a given marketing or calendar year (regulation 2(8));
- (i) revoke paragraph (11) of regulation 13A of the 1993 Regulations, dealing with the calculation of quota allocations (regulation 2(9)), and make consequential amendments to regulation 13A of the 1993 Regulations in the light of that revocation (regulation 2(2)(e) (vii), (6) and (7)) [by virtue of the application of Article 14 of Commission Regulation (EEC) No. 3567/92 (OJ No. L362, 11.12.92, p. 41) and Article 40 of Commission Regulation (EEC) No. 3886/92 (OJ No. L391, 31.12.92, p. 20), dealing with the consequences of calculations leading to fractions, the situation which regulation 13A(11) of the 1993 Regulations addressed does not apply, and that provision was included in those Regulations in error];
- (j) insert a new regulation, 13B, into the 1993 Regulations, having effect-
 - (i) to create a combined national reserve of sheep annual premium quota for the 1996 and 1997 marketing years,
 - (ii) to modify the 1993 Regulations to enable the combined reserve to be operated as a single entity,
 - (iii) to lay down the eligibility criteria for allocations of sheep annual premium quota from the combined reserve, and

- (iv) to specify when allocations of sheep annual premium quota will be effective (regulation 2(10));
- (k) make a number of miscellaneous amendments relating to the participation by Scottish and Welsh producers in habitat schemes and the eligibility of producers under categories IIIa and IV of the post-1993 national reserves (regulation 2(11) to (14)).

3. The system of quotas for sheep annual premium was established by and remains subject to Council Regulation (EEC) No. 3013/89 (OJ No. L289, 7.10.89, p. 1) and Commission Regulation (EEC) No. 3567/92 (OJ No. L362, 11.12.92, p. 41) and the system of quotas for suckler cow premium was established by and remains subject to Council Regulation (EEC) No. 805/68 (OJ No. L148, 28.6.68, p. 24 (OJ/SE 1968 (I) p. 187)) and Commission Regulation (EEC) No. 3886/92 (OJ No. L391, 31.12.92, p. 20).

4. No compliance cost assessment has been prepared in respect of these Regulations.