

## SCHEDULE 1

Regulation 9(3)

### Exemption for micro-distributors

#### **The exemption**

1. Regulation 9(1) does not apply in relation to a distributor—
  - (a) if the distributor was a micro-distributor in its preceding financial year and the accounts for that period are closed;
  - (b) if the distributor had an annual turnover which did not exceed 2 million euros in its preceding financial year; and
  - (c) if the only plant protection products offered for sale by that distributor are for non-professional use and are not formulations classified as toxic, very toxic, carcinogenic, mutagenic or toxic for reproduction pursuant to Directive [1999/45/EC](#).

#### **Micro-distributor**

2. A distributor is a micro-distributor in a financial year if the number of weeks when the distributor has fewer than 10 employees is greater than the number of weeks when the distributor has 10 or more employees.

#### **Number of employees of a distributor**

3. A distributor has fewer than 10 employees in a week if the total number of hours for which all the employees of the distributor are contracted to work in that week is less than 375.

#### **Employees**

4.—(1) “Employee” means an individual who has entered into or works under a contract of employment.

(2) In paragraph (1) “contract of employment” means a contract of service, whether express or implied, and (if it is express) whether oral or in writing.

#### **Franchises**

5. A distributorship that is carried on pursuant to a franchise agreement is treated as part of the distributorship of the franchisor (and not as a separate distributorship carried on by the franchisee).

#### **Interpretation**

6.—(1) “Annual turnover” means the amounts derived from the provision of goods and services falling within the distributor’s ordinary activities, after deduction of—

- (a) trade discounts,
- (b) value added tax, and
- (c) any other taxes based on the amounts so derived.

(2) “Financial year” means the period of twelve months for which the income of the distributor is computed for the purposes of the tax legislation that applies to it.

(3) “Preceding financial year” means the financial year immediately preceding the distributor’s current financial year.

**Status:** This is the original version (as it was originally made).

(4) References to an amount in euros includes references to an equivalent amount in sterling, and the equivalent amount in sterling is calculated using the London closing exchange rate for sterling and the euro on the last day of the distributor's preceding financial year.

(5) Paragraphs 2 to 5 and this paragraph apply in relation to the interpretation of the exemption in paragraph 1.