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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations are made by the Scottish Ministers in exercise of the powers conferred by paragraph 1(1) and (3) of Schedule 2 of the European Union (Withdrawal) Act 2018 (c.16) (the “2018 Act”), and by sections 2 to 4 of the Agriculture (Retained EU Law and Data) (Scotland) Act 2020 (asp 17) (the “2020 Act”).

The Regulations so far as made under the 2018 Act address a failure of retained EU law relating to the Less Favoured Area Support Scheme (“LFASS”) to operate effectively arising as a result of the withdrawal of the UK from the European Union.

These Regulations so far as made under the 2020 Act modify the retained EU law and the Scottish implementing legislation relating to the LFASS for the purpose of ensuring that the legislation continues to operate in relation to Scotland after 2020.

Regulation 2 modifies Article 31 of Regulation (EU) No 1305/2013 (the Rural Development Regulation) with the effect that LFASS payments can continue through to 2024, and of removing references to the requirement for payments to be reduced in 2019 and 2020 (known as degressivity of payments in EU law).

Regulation 3(2) and (3) modifies the Less Favoured Area Support Scheme (Scotland) Regulations 2010 (S.S.I. 2010/273) (the “LFASS Regulations”) with the effect that LFASS payments can be made in further scheme years from 2021 through to 2024.

Regulation 3(4) further modifies regulation 13(1)(a)(ii) of the LFASS Regulations, as it is prospectively modified from IP completion day by the Common Agricultural Policy (EU Exit) (Scotland) (Amendment) Regulations 2019 (S.S.I. 2019/60), with the result that the prospective modification has effect immediately from IP completion day.

Regulation 3(5) modifies the LFASS Regulations with the effect that the payment rates for scheme years from 2021 onwards are the same as the payment rate for the Scheme 2018 payment.

No Business and Regulatory Impact Assessment has been prepared in relation to these Regulations as no, or no significant, impact upon business, charities or voluntary bodies is foreseen.