
WELSH STATUTORY INSTRUMENTS

2020 No. 1556 (W. 328)

**EXITING THE EUROPEAN UNION, WALES
AGRICULTURE, WALES**

**The Direct Payments to Farmers and Rural
Affairs (Miscellaneous Amendments
etc.) (Wales) (EU Exit) Regulations 2020**

Made - - - - 16 December 2020

Coming into force in accordance with regulation 1(2)

The Welsh Ministers make these Regulations in exercise of the powers conferred on them by—

- (a) in relation to Part 1, the provisions mentioned in paragraphs (b) and (c);
- (b) in relation to Parts 2, 3 and 4, paragraphs 2(1), 3(1) and (2), and 4(1) and (2) of Schedule 5 to, the Agriculture Act 2020⁽¹⁾;
- (c) in relation to Parts 5 and 6, paragraph 1 of Schedule 2 to the European Union (Withdrawal) Act 2018⁽²⁾ (“the 2018 Act”).

In relation to Parts 5 and 6, the requirement in paragraph 4(a) of Schedule 2 (relating to consultation with the Secretary of State) to the 2018 Act has been satisfied.

In accordance with section 50(6)(c) and (8) of the Agriculture Act 2020, and paragraph 1(9) of Schedule 7 to the 2018 Act, a draft of this instrument has been laid before, and approved by a resolution of Senedd Cymru.

PART 1

Introductory

Title, commencement, and application

1.—(1) The title of these Regulations is the Direct Payments to Farmers and Rural Affairs (Miscellaneous Amendments etc.) (Wales) (EU Exit) Regulations 2020.

(2) They come into force as follows—

(1) 2020 c. 21. See paragraph 3(4) of Schedule 5 for the definition of “specified”.
(2) 2018 c. 16. See section 20(1) for the definition of “devolved authority”.

- (a) except as provided for by sub-paragraph (b), these Regulations come into force on implementation period completion day;
- (b) Parts 1, 5 and 6 and regulation 7(4) come into force on the day after the day on which these Regulations are made.
- (3) These Regulations apply in relation to Wales.

PART 2

Direct Payments: Horizontal Legislation

Amendment of Regulation (EU) No. 1306/2013

2.—(1) Regulation (EU) No. 1306/2013 of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy⁽³⁾ is amended, insofar as it relates to direct payments, as follows.

(2) For Article 2(1)(m) substitute—

“(m) “appropriate authority” means the relevant authority for the constituent nation in which the regulations apply.”

(3) In Article 12—

- (a) for “must” substitute “may”;
- (b) for “shall”, in the second sentence, substitute “may”;
- (c) for the third sentence substitute—

“That system may cover the maintenance of the agricultural area as referred to in point (c) of Article 4(1) of Regulation (EU) No. 1307/2013.”

(4) Omit Article 26.

(5) In Article 54—

- (a) in paragraph 1, omit “within 18 months”;
- (b) in paragraph 3(a)—
 - (i) in point (i), for “EUR 100” substitute “£100”;
 - (ii) in point (ii)—
 - (aa) for “EUR 100” substitute “£100”;
 - (bb) for “EUR 250” substitute “£250”.

(6) Omit Article 55.

(7) In Article 67—

- (a) in paragraph 4(a), after “continuous area of land” insert “within Wales”;
- (b) in paragraph 4(b), omit “the payment for agricultural practices beneficial for the climate and the environment referred to in Chapter 3 of Title III of Regulation (EU) No 1307/2013;”.

(8) In Article 69—

- (a) omit the final sentence of paragraph 1;

(3) EUR 2013/1306, amended in relation to direct payment schemes by [S.I. 2020/90](#) and 576. EUR 2013/1306 is also amended prospectively with effect from implementation period completion day by [S.I. 2019/748](#) (as amended by [S.I. 2019/831](#)), 763 (as amended by [S.I. 2019/812](#)), 831 and 1402. However, by virtue of the amendments in the Agriculture (Payments) (Amendment, etc.) (EU Exit) Regulations 2020, these prospective amendments do not have effect in relation to direct payment schemes.

- (b) omit paragraph 2.
- (9) In Article 70—
 - (a) in paragraph 1—
 - (i) omit “and, as from 2016, at a scale of 1: 5 000,”;
 - (ii) omit the second subparagraph;
 - (b) omit paragraph 2.
- (10) Omit Article 71(2).
- (11) In Article 75—
 - (a) in paragraph 1, after “calendar year” insert “or in cases where it has not been possible to complete the verification of eligibility conditions by 30 June, upon completion.”;
 - (b) in paragraph 1(a)—
 - (i) omit “but not before 16 October”;
 - (ii) after “direct payments” insert “before the verification of eligibility conditions, to be carried out by the relevant authority pursuant to Article 74, has been finalised”;
 - (c) in paragraph 2, after “paragraph 1” insert “(excluding advances for direct payments under paragraph 1(a))”.
- (12) Omit Article 77(6).
- (13) In Article 91—
 - (a) omit the second subparagraph of paragraph 2;
 - (b) in paragraph 3(a), for “the United Kingdom” substitute “Wales”.
- (14) In the title of Article 94, omit “of Member States”.
- (15) In Article 97(3), for “EUR 100” substitute “£100”.
- (16) Omit Articles 105 and 106.
- (17) Omit Article 108.
- (18) Omit the final subparagraph of Article 111(1).
- (19) In Article 112, in the first subparagraph, for the words from “the Funds” to the end, substitute “received in one year by a beneficiary is equal to or less than £1250.”
- (20) In Annex II, in the row “Landscape, minimum level of maintenance”, in the fourth column, after “measures for avoiding invasive plant species” insert—

“Restrictions on converting, ploughing or reseeded environmentally sensitive permanent grassland.”

Amendment of Commission Delegated Regulation (EU) No. 640/2014

3.—(1) Commission Delegated Regulation (EU) No. 640/2014 supplementing Regulation (EU) No. 1306/2013 of the European Parliament and of the Council with regard to the integrated administration and control system and conditions for refusal or withdrawal of payments and administrative penalties applicable to direct payments, rural development support and cross compliance⁽⁴⁾, is amended, insofar as it relates to direct payments, as follows.

- (2) In Article 2(1), for point (22) substitute—

(4) EUR 2014/640, amended in relation to direct payment schemes by [S.I. 2020/90](#) and in relation to direct payment schemes in England by [S.I. 2020/551](#). EUR 2014/640 is also amended prospectively with effect from implementation period completion day by [S.I. 2019/765](#). However, by virtue of the amendments in the Agriculture (Payments) (Amendment, etc.) (EU Exit) Regulations 2020, these prospective amendments do not have effect in relation to direct payment schemes.

“(22) ‘use’ in relation to area means the use of area in terms of the type of permanent grassland as defined in Article 4(1)(h) of Regulation (EU) No. 1307/2013, or areas of grassland, other than permanent grassland, or ground cover or the absence of a crop;”.

(3) In Article 5(2)—

- (a) omit point (c);
- (b) in point (d), omit the words from “areas designated” to the end.

(4) In Article 6—

(a) for paragraph 1 substitute—

“1. The relevant authority shall annually assess the quality of the identification system for agricultural parcels. Where the results of the quality assessment reveal deficiencies in the system, the relevant authority shall take appropriate remedial action.”;

(b) for paragraph 2 substitute—

“2. The relevant authority shall perform the assessment referred to in paragraph 1 on the basis of a sample of reference parcels.”;

(c) in paragraph 3, omit “by 31 January 2021”.

(5) In Article 7(1), omit “at United Kingdom level”.

(6) Omit the final subparagraph of Article 9(3).

(7) Omit Article 10.

(8) In Article 13—

- (a) omit the second subparagraph of paragraph 1;
- (b) after the final subparagraph of paragraph 1 insert—

“All documents in support of an aid application, must be submitted by 31 December of that calendar year.”;

(c) in the second subparagraph of paragraph 3, for “third” substitute “second”.

(9) Omit the second subparagraph of Article 16(1).

(10) In Article 18(2), omit “and (8)”.

(11) In Article 19a—

(a) for paragraph 2 substitute—

“2. The administrative penalty referred to in paragraph 1 shall be reduced by 50% if the difference between the area declared and the area determined does not exceed 10% of the area determined.”;

(b) omit paragraphs 3 and 4.

(12) Omit Articles 22 to 29.

(13) Omit the final sentence of Article 38(1).

Amendment of Commission Implementing Regulation (EU) No. 809/2014

4.—(1) Commission Implementing Regulation (EU) No. 809/2014 laying down rules for the application of Regulation (EU) No. 1306/2013 of the European Parliament and of the Council with regard to the integrated administration and control system, rural development measures and cross compliance⁽⁵⁾, is amended, in so far as it relates to direct payments, as follows.

(5) EUR 2014/809, amended in relation to direct payment schemes by [S.I. 2020/90](#) and 576. EUR 2014/809 is also amended in relation to direct payment schemes in England by [S.I. 2020/510](#) and 575. EUR 2014/809 is also amended prospectively with effect from implementation period completion day by [S.I. 2019/765](#). However, by virtue of the amendments in the Agriculture

- (2) Omit Article 2.
- (3) Omit the second paragraph of Article 4.
- (4) In Article 6—
 - (a) in paragraph 2(f)(v), for “national” substitute “total”;
 - (b) omit paragraph 3(b).
- (5) In Article 14(1), omit point (h).
- (6) In Article 15—
 - (a) omit paragraph 1b;
 - (b) in paragraph 2—
 - (i) in the second subparagraph, for “Member States” substitute “the relevant authority”;
 - (ii) in the third subparagraph, omit the words from “the payment for agricultural practices” to “Regulation (EU) No 1307/2013 or”;
 - (c) omit paragraph 2b;
 - (d) in paragraph 3, omit the second subparagraph.
- (7) In Article 17—
 - (a) omit paragraph 2;
 - (b) in the second subparagraph of paragraph 4, omit the final sentence;
 - (c) for paragraph 5 substitute—

“5. The beneficiary shall unambiguously identify and declare the area of each agricultural parcel.”;
 - (d) omit paragraph 6.
- (8) Omit Article 18.
- (9) In Article 25, omit “and shall not exceed 14 days”.
- (10) Omit Article 26(4).
- (11) Omit the second and third paragraphs of Article 27.
- (12) In Article 29(1)(d), for “(6)” substitute “(4)”.
- (13) In the heading of Article 30, omit “other than the payment for agricultural practices beneficial for the climate and environment”.
- (14) For Article 30 substitute—

“For area-related aid schemes the control sample for on-the-spot checks carried out each year shall cover at least:

 - (a) 3% of all beneficiaries applying for the basic payment scheme in accordance with Title III of Regulation (EU) No. 1307/2013 (which includes the redistributive payment, and the payment for young farmers); and
 - (b) 5% of all beneficiaries applying for area-related payments under voluntary coupled support in accordance with Chapter 1 of Title IV of Regulation (EU) No 1307/2013.”
- (15) Omit Article 31.
- (16) For Article 33 substitute—

“For animal aid schemes, the control sample for on-the-spot checks carried out each year shall for each of the aid schemes cover at least 5% of all beneficiaries applying for that respective aid scheme.”

- (17) Omit Article 33a.
- (18) In Article 34—
 - (a) for paragraph 2 substitute—
 - “2. For the purposes of Article 30, the sample selection shall ensure that:
 - (a) a proportion of the control population is selected randomly;
 - (b) the remaining number of beneficiaries in the control sample is selected on the basis of a risk analysis.”;
 - (b) omit paragraphs 3, 4 and 4a;
 - (c) in paragraph 5—
 - (i) for “shall” substitute “may”;
 - (ii) in point (d), after “that” insert “may”.
- (19) In Article 36—
 - (a) in paragraph 2—
 - (i) omit “and (b)”;
 - (ii) for “3%” substitute “1%”;
 - (b) in paragraph 3—
 - (i) omit “and (b)”;
 - (ii) omit the second, third and fourth subparagraphs;
 - (c) in paragraph 5—
 - (i) for “2, 3 and 4” substitute “2 and 3”;
 - (ii) omit “and (b)”.
- (20) Omit Article 37(3).
- (21) In Article 38—
 - (a) omit the final sentence in paragraph 5;
 - (b) omit paragraph 6;
 - (c) omit paragraph 9;
 - (d) in paragraph 10, omit “or permanent pastures”.
- (22) In Article 39—
 - (a) omit the first sentence of paragraph 2;
 - (b) omit paragraph 3.
- (23) Omit Article 40a.
- (24) In Article 41—
 - (a) omit the final subparagraph of paragraph 1;
 - (b) in the final subparagraph of paragraph 2—
 - (i) omit “or by means of monitoring in accordance with Article 40a,”;
 - (ii) omit “or by monitoring” in both places that it occurs;
 - (iii) omit the final sentence.
- (25) In Article 42(1), in the second subparagraph—
 - (a) omit “at least 50% of”;
 - (b) for “shall”, in both places that it occurs, substitute “may”.

- (26) Omit Article 44.
- (27) In Article 68—
 - (a) in paragraph 1—
 - (i) in the first subparagraph, omit “, as it has effect in EU law”;
 - (ii) omit the second subparagraph;
 - (b) in paragraph 4, for “shall” substitute “may”.
- (28) In Article 69(1), omit the final sentence of the first subparagraph.
- (29) In Article 70—
 - (a) in paragraph 3, omit the words from “or by using” to “equivalent value”;
 - (b) omit paragraph 4.
- (30) Omit Articles 70a and 70b.
- (31) In Article 72—
 - (a) omit the final subparagraph of paragraph 1;
 - (b) in paragraph 2, omit “checked by monitoring in accordance with Article 70a,”;
 - (c) in paragraph 3, omit the final sentence in the first subparagraph;
 - (d) in paragraph 4, omit the second sentence of the first subparagraph.

Amendment of Commission Delegated Regulation (EU) No. 907/2014

5. In Commission Delegated Regulation (EU) No. 907/2014 of 11 March 2014 supplementing Regulation (EU) No. 1306/2013 of the European Parliament and of the Council with regard to paying agencies and other bodies, financial management, clearance of accounts, securities and use of euro(6), omit Article 11, insofar as it relates to direct payments.

Amendment of Commission Implementing Regulation (EU) No. 908/2014

6.—(1) Commission Implementing Regulation (EU) No. 908/2014 laying down rules for the application of Regulation (EU) No. 1306/2013 of the European Parliament and of the Council with regard to paying agencies and other bodies, financial management, clearance of accounts, rules on checks, securities and transparency(7) is amended, insofar as it relates to direct payments, as follows.

- (2) In Article 4(1)—
 - (a) omit point (i);
 - (b) in point (ii), omit “on a single website”.
- (3) Omit Article 11.
- (4) In Article 27(1), for “EUR 5” substitute “£5.00”.
- (5) In Article 28—
 - (a) omit “established in accordance with national law”;
 - (b) omit the words from “under direct” to “Development”.

(6) EUR 2014/907, amended in relation to direct payment schemes by [S.I. 2020/90](#). EUR 2014/907 is also amended prospectively with effect from implementation period completion day by [S.I. 2019/765](#). However, by virtue of the amendments in the Agriculture (Payments) (Amendment, etc.) (EU Exit) Regulations 2020, these prospective amendments do not have effect in relation to direct payment schemes.

(7) EUR 2014/908, amended in relation to direct payment schemes by [S.I. 2020/90](#). EUR 2014/908 is also amended prospectively with effect from implementation period completion day by [S.I. 2019/765](#). However, by virtue of the amendments in the Agriculture (Payments) (Amendment, etc.) (EU Exit) Regulations 2020, these prospective amendments do not have effect in relation to direct payment schemes.

(6) For Article 41(1) substitute—

“1. The relevant authorities may decide to reduce the minimum level of on-the-spot checks in accordance with Article 59(5) of Regulation (EU) No 1306/2013. For the reduced control rate to apply, the paying agency must confirm that—

- (a) the internal control system is functioning correctly; and
- (b) the error rate for the population concerned was below the materiality threshold of 2.0%.”

(7) In Article 58, for “third” substitute “second”.

(8) Omit Article 62.

PART 3

Direct Payments: Retained Direct Legislation

Amendment of Regulation (EU) No. 1307/2013

7.—(1) Regulation (EU) No. 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy⁽⁸⁾ is amended as follows.

(2) In Article 1, omit point (b)(iv).

(3) In Article 4—

(a) in paragraph (1)—

(i) in points (a), (b) and (i), for “the United Kingdom”, in each place that it occurs, substitute “Wales”;

(ii) in point (e), omit “and permanent pasture”;

(iii) in point (g)—

(aa) omit “and permanent pasture”;

(bb) for “occupy” substitute “occupies”;

(iv) in point (h), for ““permanent grassland and permanent pasture” (together referred to as “permanent grassland”)” substitute ““permanent grassland””;

(v) for point (s) substitute—

“(s) “appropriate authority” means the relevant authority for the constituent nation in which the regulations apply;”;

(vi) after point (s) insert—

“(t) “total ceiling” means the amount determined in accordance with Article 5A.”;

(b) in paragraph 2, omit the final subparagraph.

(4) After Article 5 insert—

“Article 5A

The total ceiling for Wales

1. The Welsh Ministers must determine the total ceiling for Wales.

(8) EUR 1307/1307, amended by [S.I. 2020/91](#), [S.I. 2020/576](#) and [S.I. 2020/760](#). This Regulation was incorporated into domestic law by section 1 of the Direct Payments to Farmers (Legislative Continuity) Act 2020 (c. 2).

2. The Welsh Ministers must determine the total ceiling before the start of the relevant year.
 3. The Welsh Ministers must publish the total ceiling as soon as practicable after they have determined it under paragraph 1.
 4. The total ceiling, for any relevant year, must be distributed among all claimed payment entitlements, including the national reserve or the regional reserves, and ceilings set in accordance with Articles 42 and 51 and the amount allocated under Article 53.
 5. In this Article, “relevant year” has the same meaning as in paragraph 3(4) of Schedule 5 to the Agriculture Act 2020.”
- (5) Omit Articles 6, 7 and 7A.
- (6) In Article 9—
- (a) omit paragraphs 2 to 4;
 - (b) omit paragraph 5(b), (c) and (d);
 - (c) omit paragraphs 6 to 8.
- (7) In Article 10(2), for “EUR 100” substitute “£100”.
- (8) In Article 11—
- (a) in paragraph 1, for “EUR 150 000” substitute “£150,000”;
 - (b) in paragraph 3—
 - (i) omit “of its share” in both places that it occurs;
 - (ii) for “annual national”, in both places that it occurs, substitute “total”.
- (9) Omit Article 14.
- (10) In Article 22—
- (a) omit paragraph 1;
 - (b) for paragraph 2 substitute—

“2. The basic payment scheme ceiling in Wales for any given year is the amount which remains for the basic payment scheme after deducting, from the total ceiling, the ceilings set in accordance with Articles 42 and 51 for that year, and the amount allocated under Article 53.”;
 - (c) omit paragraph 3;
 - (d) for paragraph 4 substitute—

“4. The total value of all claimed payment entitlements in the constituent nation must equal the basic payment scheme ceiling in Wales.”;
 - (e) for paragraph 5 substitute—

“5. If the ceiling calculated pursuant to paragraph 2 of this Article is different from the relevant authority’s share of the basic payment scheme ceiling in claim year 2020 as a result of any decision taken by the relevant authority, or the total value of all claimed payment entitlements (including those allocated and claimed from the national reserve or regional reserve) is different from the total value of claimed payment entitlements in claim year 2020, the relevant authority shall linearly reduce or increase the value of all claimed payment entitlements in order to ensure compliance with paragraph 4 of this Article.”
- (11) In Article 25—
- (a) omit paragraphs 1 and 2;
 - (b) omit paragraph 8.

- (12) In Article 30—
- (a) in paragraph 7—
 - (i) omit points (a) and (b);
 - (ii) in point (e), for “relevant authority’s share of the basic payment scheme ceiling” substitute “basic payment scheme ceiling in Wales”;
 - (iii) in point (f), omit “and Article 65(1), (2) and (3)”;
 - (b) in paragraph 8—
 - (i) in the second subparagraph, for “relevant authority’s share of the basic payment scheme ceiling” substitute “basic payment scheme ceiling in Wales”;
 - (ii) omit the third subparagraph;
 - (c) in paragraph 11(a), omit “(3) and”.
- (13) Omit Article 31(1)(h).
- (14) In Article 32—
- (a) in paragraph 1—
 - (i) omit “of financial discipline,”;
 - (ii) omit “Article 7 and”;
 - (b) omit paragraph 5.
- (15) In Article 34, omit paragraph 4.
- (16) In Article 35(1)—
- (a) in point (g), omit “and 7”;
 - (b) omit point (h).
- (17) In Article 41—
- (a) in paragraph 1, omit the words from “, provided that” to the end;
 - (b) in paragraph 3—
 - (i) omit “of financial discipline,”;
 - (ii) omit “, of linear reductions as referred in Article 7”;
 - (c) in paragraph 4, for the second sentence substitute—

“The number of such payment entitlements or hectares shall not exceed a maximum level to be set by the relevant authority which shall not be higher than 54 hectares.”
- (18) In Article 42—
- (a) omit “, by the date referred to in Article 41(1)”;
 - (b) for “its share of the annual national” substitute “the total”.
- (19) Omit Chapter 3 of Title III.
- (20) In Article 50—
- (a) omit paragraph 3;
 - (b) in paragraph 4, omit “of financial discipline,”;
 - (c) omit the second subparagraph of paragraph 5;
 - (d) omit paragraphs 8 and 10A.
- (21) In Article 51—
- (a) in the first subparagraph of paragraph 1, for “its share of the annual national” substitute “the total”;

- (b) in paragraph 2, for “relevant authority’s share of the national” substitute “total”;
 - (c) in paragraph 3, for “its share of the annual national” substitute “the total”.
- (22) In Article 53—
- (a) for paragraph 1 substitute—
 - “1. Up to 10% of the total ceiling may be used to finance the coupled support.”;
 - (b) omit paragraph 3;
 - (c) in paragraph 5—
 - (i) for “percentages set out in paragraphs 1 to 4” substitute “percentage set out in paragraph 1”;
 - (ii) for “EUR 3” substitute “£3”;
 - (d) omit paragraph 6.
- (23) In Article 71A—
- (a) in paragraph 1, for “paragraphs 2” substitute “paragraphs 3”;
 - (b) omit paragraph 2.
- (24) In Annex I, omit the third entry in the table.
- (25) In Annex II, in the heading, for “Article 6” substitute “Article 5A”.
- (26) Omit Annexes III, IX and X.

Amendment of Commission Delegated Regulation (EU) No. 639/2014

8.—(1) Commission Delegated Regulation (EU) No. 639/2014 of 11 March 2014 supplementing Regulation (EU) No. 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy⁽⁹⁾ is amended as follows.

- (2) Omit Article 1(d).
- (3) Omit Article 8.
- (4) Omit Articles 11 to 13.
- (5) Omit Article 26.
- (6) Omit Article 29(4).
- (7) Omit Article 30(2).
- (8) Omit Chapter 3.
- (9) In Article 49(3)(a), omit “,(8)”.
- (10) In Article 53(2), in the second subparagraph, in points (a) and (b), after “Annex I to this Regulation”, in both places that it occurs, insert “as it had effect immediately before exit day”.
- (11) In Article 53a, omit paragraph 4.
- (12) Omit Annex II.

(9) EUR 2014/639, amended by [S.I. 2020/91](#) and 576. EUR 2014/639 was prospectively amended with effect from implementation period completion day by [S.I. 2019/208](#) and 763 (as amended by [S.I. 2019/812](#)), but those prospective amendments were revoked by the Agriculture (Payments) (Amendment, etc.) (EU Exit) Regulations 2020 immediately before implementation period completion day.

Amendment of Commission Implementing Regulation (EU) No. 641/2014

9.—(1) Commission Implementing Regulation (EU) No. 641/2014 of 16 June 2014 laying down rules for the application of Regulation (EU) No. 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy⁽¹⁰⁾ is amended as follows.

- (2) Omit Article 1(c).
- (3) In Article 8(1), omit “prior to exit day”.
- (4) Omit Chapter 3.

PART 4

Direct Payments: Domestic Legislation

Amendment of the Common Agricultural Policy (Integrated Administration and Control System and Enforcement and Cross Compliance) (Wales) Regulations 2014

10.—(1) The Common Agricultural Policy (Integrated Administration and Control System and Enforcement and Cross Compliance) (Wales) Regulations 2014⁽¹¹⁾ are amended, insofar as they relate to direct payments, as follows.

- (2) In regulation 2, omit paragraph (1A).
- (3) In regulation 5—
 - (a) for paragraph (2)(b) substitute—
 - “(b) includes a statement by the Welsh Ministers of the rate for that period;”;
 - (b) omit paragraph (3).
- (4) In Schedule 1, after paragraph 15 insert—

“Converting, ploughing or reseeded land designated as environmentally sensitive permanent grassland

16.—(1) A beneficiary may only convert, plough or reseed certain areas of environmentally sensitive permanent grassland if—

- (a) the site of special scientific interest notification requires or allows the beneficiary to plough or convert certain areas of the site of special scientific interest; or
- (b) consent to do so has been provided by Natural Resources Wales.
- (2) In this paragraph—
 - “environmentally sensitive permanent grassland” (“*glaswelltir parhaol amgylcheddol-sensitif*”) means—
 - (a) grassland located in a site of special scientific interest; and
 - (b) grassland in relation to which written consent to plough is required in accordance with section 28E(1) of the Wildlife and Countryside Act 1981⁽¹²⁾ but such consent has not been obtained;

⁽¹⁰⁾ EUR 2014/641, amended by [S.I. 2020/91](#). EUR 2014/641 was also prospectively amended with effect from implementation period completion day by [S.I. 2019/208](#), although that instrument was revoked by the Agriculture (Payments) (Amendment, etc.) (EU Exit) Regulations 2020 immediately before implementation period completion day.

⁽¹¹⁾ [S.I. 2014/3223 \(W. 328\)](#), amended by [S.I. 2016/217 \(W. 86\)](#), [S.I. 2016/1154](#), [S.I. 2017/565 \(W. 134\)](#), [S.I. 2019/688 \(W. 132\)](#) as from implementation period completion day, and [S.I. 2020/104 \(W. 17\)](#).

⁽¹²⁾ [1981 c. 69](#).

“site of special scientific interest” (“*safle o ddiddordeb gwyddonol arbennig*”) has the meaning given in section 52(1) of the Wildlife and Countryside Act 1981.”

Amendment of the Common Agricultural Policy (Control and Enforcement, Cross-Compliance, Scrutiny of Transactions and Appeals) Regulations 2014

11.—(1) The Common Agricultural Policy (Control and Enforcement, Cross-Compliance, Scrutiny of Transactions and Appeals) Regulations 2014⁽¹³⁾ are amended, insofar as they relate to direct payments, as follows.

(2) In regulation 2 (interpretation), in the definition of “competent authority”, omit “, except as otherwise provided by regulation 3,”.

(3) In regulation 3 (competent authority)—

- (a) omit paragraphs (2) to (3A);
- (b) for paragraph (4) substitute—

“(4) In this regulation, “holding” has the meaning given by Article 4(1)(b) of the Direct Payments Regulation.”

Amendment of the Common Agricultural Policy Basic Payment and Support Schemes (Wales) Regulations 2015

12.—(1) The Common Agricultural Policy Basic Payment and Support Schemes (Wales) Regulations 2015⁽¹⁴⁾ are amended, insofar as they relate to direct payments, as follows.

(2) In regulation 3—

- (a) the existing provision is renumbered as paragraph (1);
- (b) at the beginning of renumbered paragraph (1), insert “Subject to paragraph (2),”;
- (c) after renumbered paragraph (1) insert—

“(2) Direct payments may be granted to a farmer where the eligible area of the holding referred to in paragraph (1) is less than 5 hectares if in 2020 direct payments were claimed by or due to be granted to that farmer—

- (a) before the application of Article 63 of Regulation (EU) No 1306/2013; and
- (b) in respect of such a holding (as defined for the 2020 claim year)—

- (i) situated in Wales and at least one other territory;
- (ii) where the eligible area situated in Wales of that holding was less than 5 hectares; and
- (iii) for which a payment was claimed or due to be granted in respect of the eligible area situated in Wales.”

(3) Omit regulation 9.

(4) In regulation 10—

- (a) in paragraph (1), omit “Article 24 or”;
- (b) omit paragraphs (3) and (4).

(5) In regulation 11(3), for “30 April” substitute “15 May”.

(6) Omit regulations 14 to 16, and 19.

⁽¹³⁾ [S.I. 2014/3263](#), amended by [S.I. 2015/1325](#). There are other amending instruments but none are relevant.

⁽¹⁴⁾ [S.I. 2015/1252 \(W. 84\)](#), amended by [S.I. 2016/217 \(W. 86\)](#), [S.I. 2019/688 \(W. 132\)](#) as from implementation period completion day, and [S.I. 2020/104 \(W. 17\)](#).

PART 5

Direct Payments: amendment of domestic legislation consequent on the withdrawal of the United Kingdom from the European Union

Amendment of the Common Agricultural Policy (Miscellaneous Amendments) (Wales) (EU Exit) Regulations 2019

13.—(1) The Common Agricultural Policy (Miscellaneous Amendments) (Wales) (EU Exit) Regulations 2019⁽¹⁵⁾ are amended as follows.

- (2) Omit regulation 2.
- (3) Omit regulation 4(2).
- (4) Omit regulation 5(2) and (3).

PART 6

Amendment of domestic legislation consequent on the withdrawal of the United Kingdom from the European Union

Amendment to the Retained EU Law (Miscellaneous Amendments) (Wales) (EU Exit) Regulations 2019

14. In regulation 1(3) of the Retained EU Law (Miscellaneous Amendments) (Wales) (EU Exit) Regulations 2019⁽¹⁶⁾, after “Regulations” insert “1,”.

Amendment to the Rural Affairs (Miscellaneous Amendments) (Wales) (EU Exit) (No. 3) Regulations 2019

15. In regulation 1(2) of the Rural Affairs (Miscellaneous Amendments) (Wales) (EU Exit) (No. 3) Regulations 2019⁽¹⁷⁾, after “regulations” insert “1,”.

16 December 2020

Lesley Griffiths
Minister for Environment, Energy and Rural
Affairs, one of the Welsh Ministers

⁽¹⁵⁾ S.I. 2019/688 (W. 132).
⁽¹⁶⁾ S.I. 2019/1281 (W. 225).
⁽¹⁷⁾ S.I. 2019/1376 (W. 242).

EXPLANATORY NOTE

(This note is not part of the Regulations)

Parts 2, 3, and 4 of these Regulations are made in exercise of the powers conferred by paragraphs 2(1), 3(1) and (2) and 4(1) and (2) of Schedule 5 to the Agriculture Act 2020 ([c. 21](#)) in order to make provision in retained EU law governing the direct payment schemes for securing the continuation of the basic payment scheme in Wales beyond 2020.

Regulations 2, 3, 4, 5 and 6 modify Regulations (EU) No. 1306/2013, 809/2014, 640/2014, 907/2014 and 908/2014 to the extent necessary for the basic payment scheme to function effectively beyond 2020. Those EU Regulations contain some of the rules governing the direct payment schemes as well as other schemes under the Common Agricultural Policy. These Regulations amend that body of law insofar as it relates to the direct payment schemes only.

Regulations 7, 8 and 9 amend Regulation (EU) No. 1307/2013 (“the Direct Payments Regulation”), Regulations (EU) No. 639/2014 and 641/2014. These changes allow the basic payment scheme to function effectively beyond 2020. Regulation 7(4) introduces a new Article 5A to the Direct Payments Regulation which provides the manner in which to determine the direct payments ceiling beyond 2020.

Regulations 2 to 9 also amend the retained EU law relating to the direct payment schemes to—

- (a) simplify the administration of the scheme and make its operation more efficient and effective,
- (b) remove provisions which are spent or not in use,
- (c) remove or reduce burdens on persons applying for, or entitled to, direct payments under the scheme,
- (d) improve the way the scheme operates in relation to persons applying for, or entitled to direct payments under the scheme,
- (e) ensure that sanctions and penalties imposed under the scheme are appropriate and proportionate, and
- (f) limit the application of the scheme to land in Wales only.

Part 4 of these Regulations amend domestic legislation which relates to direct payments.

Regulation 10 amends the Common Agricultural Policy (Integrated Administration and Control System and Enforcement and Cross Compliance) (Wales) Regulations 2014 ([S.I. 2014/3223 \(W. 328\)](#)), in order to secure its operability for the basic payment scheme in Wales beyond 2020. Regulation 10 also inserts a new paragraph into Schedule 1 (*Standards for Good Agricultural and Environmental Condition*) which details the restrictions on converting, ploughing or reseeding environmentally sensitive permanent grassland. This ensures alignment with the changes made by regulation 2 to Regulation (EU) No. 1306/2013.

Regulation 11 amends the Common Agricultural Policy (Control and Enforcement, Cross-Compliance, Scrutiny of Transactions and Appeals) Regulations 2014 ([S.I. 2014/3263](#)), and applies in relation to Wales. Regulation 3 (competent authority) of those Regulations is amended to ensure it aligns with the retained EU law relating to direct payments.

Regulation 12 amends the Common Agricultural Policy Basic Payment and Support Schemes (Wales) Regulations 2015 ([S.I. 2015/1252 \(W. 84\)](#)) to ensure it aligns with the changes being made to the retained EU law relating to direct payments by these Regulations.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Part 5 of these Regulations is made in exercise of the powers conferred by paragraph 1 of Schedule 2 to the European Union (Withdrawal) Act 2018 (c. 16) in order to address failures of retained EU law to operate effectively and other deficiencies arising from the withdrawal of the United Kingdom from the European Union. Regulation 13 amends the Common Agricultural Policy (Miscellaneous Amendments) (Wales) (EU Exit) Regulations 2019 (S.I. 2019/688 (W. 132)), which address failures of retained EU law to operate effectively and other deficiencies arising from the withdrawal of the United Kingdom from the European Union. Regulation 13 revokes regulations 2, 4(2) and 5(2) and (3) to align with changes made by these Regulations and by the Common Agricultural Policy (Direct Payments to Farmers) (Miscellaneous Amendments) (Wales) Regulations 2020 (S.I. 2020/104 (W. 17)).

Part 6 of these Regulations is made in exercise of the powers conferred by paragraph 1 of Schedule 2 to the European Union (Withdrawal) Act 2018 in order to correct errors in the Retained EU Law (Miscellaneous Amendments) (Wales) (EU Exit) Regulations 2019 (S.I. 2019/1281 (W. 225)) and the Rural Affairs (Miscellaneous Amendments) (Wales) (EU Exit) (No. 3) Regulations 2019 (S.I. 2019/1376 (W. 242)).

The Welsh Ministers' Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, it was not considered necessary to carry out a regulatory impact assessment as to the likely costs and benefits of complying with these Regulations.