

*Regulations made by the Welsh Ministers, laid before Senedd Cymru under section 50(6)(c) and (8) of the Agriculture Act 2020 and paragraph 1(9) of Schedule 7 to the European Union (Withdrawal) Act 2018 for approval of Senedd Cymru.*

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DRAFT WELSH STATUTORY  
INSTRUMENTS

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**2021 No. (W.)**

**EXITING THE EUROPEAN  
UNION, WALES**

**AGRICULTURE, WALES**

**The Agricultural Support  
(Miscellaneous Amendments)  
(Wales) (EU Exit) Regulations 2021**

**EXPLANATORY NOTE**

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

These Regulations are made in exercise of the powers conferred by section 46 of, and paragraphs 2(1), 4(1) and 6(1) of Schedule 5 to, the Agriculture Act 2020 (c. 21) and paragraph 1 of Schedule 2 to the European Union (Withdrawal) Act 2018 (c. 16), in order to address operability issues and deficiencies arising from the withdrawal of the United Kingdom from the European Union and to make provision in retained EU law governing rural development programmes for securing domestic support for rural development in Wales.

Regulations 2, 3, 4 and 5 modify Regulations (EU) No. 1306/2013, 640/2014, 809/2014, and 908/2014 to the extent necessary to provide for a framework to allow the creation of a new domestic rural development support scheme.

Regulations 6 to 12 modify Regulations (EU) No. 1303/2013, 1305/2013, 480/2014, 807/2014, 808/2014, 821/2014, and 964/2014 to the extent necessary for rural development support to function effectively and to address operability issues. Those EU Regulations contain some of the rules governing rural development support. These Regulations amend that body of law

insofar as it relates to domestic support for rural development programmes only.

Part 4 of these Regulations amends domestic legislation which relates to support for rural development. The changes ensure that the domestic legislation aligns with the changes made by Parts 2 and 3 of these Regulations to the retained EU law governing support for rural development.

Part 5 of these Regulations amends Regulations (EU) No. 1306/2013, 640/2014 and 809/2014, insofar as they relate to the direct payment schemes only. The amendments are minor and technical in nature and address errors to ensure that the legislation is accurate and functions effectively.

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.

*Regulations made by the Welsh Ministers, laid before Senedd Cymru under section 50(6)(c) and (8) of the Agriculture Act 2020 and paragraph 1(9) of Schedule 7 to the European Union (Withdrawal) Act 2018 for approval of Senedd Cymru.*

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**2021 No. (W. )**

**EXITING THE EUROPEAN  
UNION, WALES**

**AGRICULTURE, WALES**

**The Agricultural Support  
(Miscellaneous Amendments)  
(Wales) (EU Exit) Regulations 2021**

*Made* \*\*\*

*Coming into force in accordance with  
regulation 1(2)*

The Welsh Ministers make these Regulations in exercise of the powers conferred on them by section 46 of, and paragraphs 2(1), 4(1) and 6(1) of Schedule 5 to, the Agriculture Act 2020<sup>(1)</sup>, and paragraph 1 of Schedule 2 to the European Union (Withdrawal) Act 2018<sup>(2)</sup>.

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

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<sup>(1)</sup> 2020 c. 21.

<sup>(2)</sup> 2018 c. 16. See section 20(1) for the definition of “devolved authority”.

## PART 1

### Introductory

#### **Title, commencement and application**

- 1.**—(1) The title of these Regulations is the Agricultural Support (Miscellaneous Amendments) (Wales) (EU Exit) Regulations 2021.
- (2) These Regulations 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

### Rural Development: 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<sup>(1)</sup>, is amended, insofar as it relates to domestic support for rural development, as follows.

- (2) For the heading of Article 8 substitute “Powers”.
- (3) In Article 12—
- (a) in paragraph 1—
    - (i) for “must” substitute “may”;
    - (ii) for “shall”, in the second sentence, substitute “may”;
  - (b) in paragraph 2—
    - (i) after point (a) insert—

“(aa) maintenance of the agricultural area as referred to in point (c) of Article 4(1) Regulation (EU) No 1307/2013;”;
    - (ii) omit point (e);
  - (c) omit paragraph 3.
- (4) Omit Articles 13 to 15.
- (5) Omit Article 32.
- (6) Omit Article 46.
- (7) In Article 54—
- (a) in paragraph 1, omit “within 18 months”;
  - (b) in paragraph 3(a)—

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(1) EUR 2013/1306, amended in relation to support for rural development by S.I. 2020/90 and 576. EUR 2013/1306 is amended 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 S.I. 2020/1445, these amendments do not have effect in relation to rural development support.

- (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”.
- (8) Omit Article 56.
- (9) In Article 59(4), for “retained direct EU legislation regarding agricultural aid and rural development support” substitute “sectoral agricultural legislation”.
- (10) In Article 67(4)(a), after “continuous area of land” insert “within Wales”.
- (11) In Article 69—
  - (a) omit the final sentence of paragraph 1;
  - (b) omit paragraph 2.
- (12) In Article 70(1)—
  - (a) omit “and, as from 2016, at a scale of 1:5 000,”;
  - (b) omit the second subparagraph.
- (13) In Article 72(5), for “By way of derogation from Council Regulation (EEC, Euratom) No 1182/71, the” substitute “The”.
- (14) In Article 84(6), for “EUR 40 000” substitute “£40 000”.
- (15) In Article 91(3)(a), for “the United Kingdom” substitute “Wales”.
- (16) In Article 97(3), for “EUR 100” substitute “£100”.
- (17) Omit Article 108.
- (18) Omit the final subparagraph of Article 111(1).
- (19) In Article 112, in the first paragraph, for “EUR 1250” substitute “£1250”.
- (20) In Article 114, for the heading substitute “Powers”.
- (21) Omit Annex I.
- (22) 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<sup>(1)</sup>, is amended, insofar as it relates to domestic support for rural development, as follows.

- (2) Omit Article 1(j).
- (3) In Article 9—
  - (a) in paragraph 1, omit the final subparagraph;
  - (b) in paragraph 3, omit the final subparagraph.
- (4) Omit Article 10.
- (5) In Article 13—
  - (a) in paragraph 1—
    - (i) omit the second subparagraph;
    - (ii) after the final subparagraph insert—

“All documents in support of an aid application or payment claim must be submitted by 31 December of that calendar year.”;
  - (b) in paragraph 3, in the final subparagraph, for “third” substitute “second”.
- (6) Omit the final subparagraph of Article 16(1).
- (7) In Article 19a—
  - (a) in the heading, after “of areas for” insert “agri-environment climate, organic farming.”;
  - (b) in paragraph 1, after “Articles” insert “28, 29”;
  - (c) 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.”;
  - (d) omit paragraphs 3 and 4.
- (8) In Article 35—
  - (a) in paragraph 1, for “shall” substitute “may”;
  - (b) in paragraph 2—
    - (i) for “shall” substitute “may”;
    - (ii) omit “State aid”;
  - (c) in paragraph 3—
    - (i) in the first subparagraph—
      - (aa) for “shall” substitute “may”;

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(1) EUR 2014/640, amended in relation to rural support by S.I. 2020/90 and in relation to England by S.I. 2020/551. EUR 2014/640 is also amended by S.I. 2019/765. However, by virtue of the amendments in S.I. 2020/1445, these amendments do not have effect in relation to support for rural development.

- (bb) for “extent, duration and reoccurrence” substitute “extent and duration”;
  - (ii) omit the final subparagraph;
  - (d) in paragraph 5, omit the final sentence;
  - (e) omit paragraph 7.
- (9) Omit Chapter I of Title IV.
- (10) Omit the final sentence of Article 38(1).
- (11) Omit Title V.

**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<sup>(1)</sup>, is amended, in so far as it relates to domestic support for rural development, as follows.

- (2) In Article 4, omit the final paragraph.
- (3) In Article 6(2), in point (c), for “Articles 13 and 14” substitute “Article 13”.
- (4) In Article 17—
  - (a) omit paragraph 2;
  - (b) omit paragraph 5;
  - (c) omit paragraph 6.
- (5) In Article 25, omit “and shall not exceed 14 days”.
- (6) In Article 26—
  - (a) omit paragraph 2;
  - (b) omit paragraph 4.
- (7) In Article 27, omit the second and third paragraphs.
- (8) In Article 32—
  - (a) in paragraph 1—
    - (i) in the first subparagraph, omit the last sentence;
    - (ii) omit the second subparagraph;
  - (b) omit paragraph 2;
  - (c) omit paragraph 2a;
  - (d) omit paragraph 4.

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(1) 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 rural development schemes in Wales by S.I. 2020/510 and 575. EUR 2014/809 is also amended by S.I. 2019/765. However, by virtue of the amendments in S.I. 2020/1445, these amendments do not have effect in relation to rural development support.

(9) After Article 32 insert—

**“Article 32a**

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.”

(10) In Article 34—

- (a) omit paragraphs 3, 4 and 4a;
- (b) in paragraph 5—
  - (i) for “shall” substitute “may”;
  - (ii) in point (d), after “that” insert “may”.

(11) In Article 35, omit “or in a region or part of a region”.

(12) In Article 36(4), omit the second subparagraph.

(13) In Article 38—

- (a) omit the final sentence in paragraph 5;
- (b) omit paragraph 9;
- (c) in paragraph 10, omit “or permanent pastures”.

(14) In Article 39, omit paragraph 4.

(15) Omit Article 40a.

(16) 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.

(17) In Article 42(1), in the second subparagraph—

- (a) omit “at least 50% of”;
- (b) for “shall”, in both places it occurs, substitute “may”.

(18) In Article 43(2), for “shall” substitute “may” in the first place it occurs.

(19) In Article 46, omit “, Article 39b and Article 51(2)”.

(20) In Article 47(2), omit “and 19(1)(c),”.

(21) In Article 48—

- (a) in paragraph 2—
  - (i) in the first subparagraph, omit “State aid”;
  - (ii) in point (e)—



- (aa) for “EUR 5 000” substitute “£5 000”;
- (bb) omit “ex ante”;
- (b) in paragraph 5—
  - (i) at the end of the first subparagraph insert—
    - “Those checks shall, to the extent possible, be carried out before the final payment is made for an operation.”;
  - (ii) omit point (a).
- (22) Omit Articles 49 to 51.
- (23) In Article 52(3), for the final sentence substitute “A sample shall be selected randomly.”
- (24) Omit Article 62.
- (25) In Article 63—
  - (a) in paragraph 1, for “calculated” substitute “adjusted”;
  - (b) omit paragraph 2.
- (26) In Article 68—
  - (a) in paragraph 1—
    - (i) in the first subparagraph, omit “and the other beneficiaries receiving direct payment support”;
    - (ii) omit the second and third subparagraphs;
  - (b) in paragraph 4, for “shall” substitute “may”.
- (27) In Article 69(1), omit the final sentence of the first subparagraph.
- (28) In Article 70—
  - (a) in paragraph 3, omit the words from “or by using” to the end;
  - (b) omit paragraph 4.
- (29) Omit Article 70a.
- (30) In Article 72—
  - (a) in paragraph 1, omit the final subparagraph;
  - (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 Implementing Regulation (EU) No. 908/2014**

**5.—**(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<sup>(1)</sup> is amended, insofar as it relates to domestic support for rural development, as follows.

(2) In Article 4(1)—

- (a) omit point (i);
- (b) in point (ii), omit “on a single website”.

(3) In Article 27(1), for “EUR 5” substitute “£5.00”.

(4) 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%.”

(5) In Article 42—

- (a) in paragraph 1, for “EUR 150 000” substitute “£150 000”;
- (b) in paragraph 3, for “EUR 350 000” substitute “£350 000”.

(6) In Article 56(1), for “EUR 1 000” substitute “£1 000”.

(7) Omit Article 62.

(8) In Annex XI—

- (a) for “EUR 150, 000” substitute “£150,000”;
- (b) for “EUR 350 000” substitute “£350 000” in each place it occurs;
- (c) for “EUR 40 000” substitute “£40 000” in each place it occurs;
- (d) in the table at sheet B, for “(EUR)” substitute “£” in each place it occurs.

## PART 3

### Rural Development: Retained Direct Legislation

#### **Amendment of Regulation (EU) No. 1303/2013 of the European Parliament and of the Council of 17 December 2013**

**6.**—(1) Regulation (EU) No. 1303/2013 of the European Parliament and of the Council of 17

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(1) EUR 2014/908, amended by S.I. 2020/90.

December 2013 laying down common provisions on the European Regional Development Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EU) No 1083/2006<sup>(1)</sup>, is amended, insofar as it relates to domestic support for rural development, as follows.

(2) For Article 1 substitute—

*“Article 1*

**Subject-matter**

This Regulation lays down the common rules applicable to support for rural development.”

(3) In Article 2—

- (a) omit paragraph 4;
- (b) omit paragraph 5;
- (c) in paragraph 10—
  - (i) omit point (a);
  - (ii) in point (b), omit “or the fund of funds as appropriate”;
- (d) omit paragraph 13;
- (e) omit paragraphs 15 and 16;
- (f) omit paragraph 21;
- (g) in paragraph 26, omit “point (c) of Article 42(1), Article 42(2), Article 42(3) and”;
- (h) omit paragraphs 27, 28, 29, 30 and 33;
- (i) omit paragraphs 38, 39, 40 and 42.

(4) In Article 4—

- (a) in paragraph 1, omit “Fund-specific”;
- (b) in paragraph 2, omit “, taking account of the specific context of each constituent nation,”;
- (c) in paragraph 4—
  - (i) omit “, in partnership with the relevant partners referred to in Article 5,”;
  - (ii) omit “and the Fund-specific rules”;
- (d) in paragraph 9, for “the relevant authority” substitute “The relevant authority”;
- (e) in paragraph 10, for “the relevant authority” substitute “The relevant authority”.

(5) Omit Article 5.

(6) For Article 8(2) substitute—

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(1) EUR 2013/1303, amended by 2019/785, 2018/1046, 2019/785, 2019/748, and 2019/1422.

“2. The relevant authority must ensure that the environmental protection requirements, resource efficiency, climate change mitigation and adaptation, biodiversity, disaster resilience, and risk prevention and management are promoted in the preparation and implementation of programmes.

The appropriate authority may make regulations setting out uniform conditions for support for rural development.”

(7) Omit Title II.

(8) Omit Chapter I of Title III.

(9) In Article 32—

(a) for paragraph 1 substitute—

“1. Support for rural development must be provided by the relevant authority for community-led local development. For the purposes of this Chapter, “the support concerned” means support for rural development.”;

(b) in paragraph 5, omit “Fund-specific”.

(10) In Article 34(3), omit “in accordance with the Fund-specific rules” in the final subparagraph.

(11) In Article 37—

(a) omit “ex ante” in each place it occurs;

(b) in paragraph 1—

(i) omit “, including when organised through fund of funds,”;

(ii) omit “, the bodies implementing funds of funds,”;

(c) in paragraph 2, in point (a), omit “and thematic objectives”;

(d) in paragraph 3, omit the final subparagraph;

(e) in paragraph 4—

(i) in the first subparagraph—

(aa) omit “, including SMEs”;

(bb) omit “and in accordance with the Fund-specific rules”;

(ii) in the second subparagraph, for “SMEs” substitute “businesses”;

(f) in paragraph 9, for “paragraphs 7 and 8” substitute “paragraph 7”;

(g) in paragraph 11, for “paragraphs 7 and 8” substitute “paragraph 7”.

(12) In Article 38—

(a) omit paragraph 5;

(b) in paragraph 7—

(i) omit point (a);

- (ii) in point (b), omit “, or where applicable, the body that implements the fund of funds.”;
  - (c) omit paragraph 8;
  - (d) in paragraph 9—
    - (i) omit “fund of funds, at the level of the”;
    - (ii) omit “Fund-specific”;
  - (e) in paragraph 10, omit “and in Article 39a(5)”.
- (13) In Article 40—
- (a) in paragraph 1—
    - (i) in the first subparagraph—
      - (aa) for “authorities designated” substitute “designated authorities”;
      - (bb) omit “in accordance with Article 65 of the Regulation (EU) No 1305/2013”;
    - (ii) in the third subparagraph, omit “as set out in Article 46(1) and (2) of this Regulation”;
    - (iii) omit the fourth and fifth subparagraphs;
  - (b) in paragraph 2, for “Without prejudice to Article 127 of this Regulation and Article 9 of Regulation (EU) No 1306/2013, the” substitute “The”;
  - (c) omit paragraph 5A.
- (14) In Article 41—
- (a) in paragraph 1—
    - (i) in the first subparagraph, omit “during the eligibility period laid down in Article 65(2) (the ‘eligibility period’)”;
    - (ii) for point (a) substitute—
      - “(a) the amount of the programme contribution paid to the financial instrument included in each application for interim payment shall not exceed 25% of the total amount of programme contributions committed to the financial instrument under the relevant funding agreement.”;
    - (iii) in point (b), omit the words from “, or at the level of final recipients” to the end;
    - (iv) omit point (c);
    - (v) in point (d), omit “and the amounts paid as eligible expenditure within the meaning of points (a), (b) and (d) of Article 42(1)”;
    - (vi) omit the second subparagraph;
  - (b) omit paragraph 2.
- (15) Omit Article 42.

(16) In Article 43, for paragraph 2 substitute—

“2. Interest and other gains attributable to support for rural development paid to financial instruments shall be used for the same purposes, including the reimbursement of management costs incurred or payment of management fees of the financial instrument as the initial support for rural development either within the same financial instrument or, following the winding up of the financial instrument, in other financial instruments or forms of support in accordance with the specific objectives set out under a priority, until the end of the eligibility period.”

(17) In Article 44, for the heading substitute “Re-use of resources attributable to the support for rural development”.

(18) In Article 45—

- (a) for the heading substitute “Re-use of resources”;
- (b) omit “after the end of the eligibility period”;
- (c) omit “or programmes”.

(19) Omit Articles 46 to 59.

(20) In Article 61—

- (a) in paragraph 3, in the third subparagraph, omit “, including subsectors for sectors in Annex V, falling under the thematic objectives defined in the first paragraph of Article 9 and funded by support for rural development”;
- (b) omit paragraph 5;
- (c) in paragraph 6—
  - (i) for “paragraphs 3 or 5” substitute “paragraph 3”;
  - (ii) omit “, or by the deadline for the submission of documents for programme closure fixed in the Fund-Specific rules, whichever is the earlier,”;
- (d) in paragraph 7—
  - (i) in point (b), for “EUR 1000 000” substitute “£1,000,000”;
  - (ii) omit point (d);
  - (iii) omit point (h);
  - (iv) omit the final subparagraph;
- (e) omit paragraph 8.

(21) For the heading of Chapter II of Title VI substitute “Special rules on support to PPPs”.

(22) In Article 64(1), omit “, by way of derogation from Article 65(2),”.

(23) In Article 65—

- (a) in paragraph 1, for “Fund-specific” substitute “rural development”;
  - (b) omit paragraph 2;
  - (c) omit paragraph 4;
  - (d) in paragraph 8—
    - (i) omit point (a);
    - (ii) in point (f), omit “ex ante”;
    - (iii) in point (g), omit “ex ante”;
    - (iv) omit point (h);
  - (e) in paragraph 9, omit the final subparagraph;
  - (f) in paragraph 10, omit the final subparagraph.
- (24) In Article 66, omit “, or to another competent authority,”.
- (25) In Article 67—
- (a) in paragraph 1, for the second subparagraph substitute—
 

“Rules may limit the forms of grants or repayable assistance applicable to certain operations.”;
  - (b) omit paragraph 2;
  - (c) in paragraph 5—
    - (i) in point (aa)—
      - (aa) omit “ex ante”;
      - (bb) for “EUR 100 000” substitute “£100 000”;
    - (ii) in point (d), omit “or the Fund-specific rules”;
    - (iii) in point (e), omit “in accordance with Fund-specific rules”.
- (26) In Article 68a(1)—
- (i) for “the relevant authority” substitute “The relevant authority”;
  - (ii) for “point (a) of Article 4 of Directive 2014/24/EU” substitute “regulation 5 of the Public Contracts Regulations 2015(1)”.
- (27) In Article 70—
- (a) in paragraph 1, omit the final subparagraph;
  - (b) in paragraph 2, omit point (c);
  - (c) in paragraph 3—
    - (i) omit “technical assistance or”;
    - (ii) omit “, and for operations concerning the thematic objective referred to in point (1) of the first paragraph of Article 9,”.

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(1) S.I. 2015/102.

(28) In Article 71—

(a) in paragraph 1—

(i) for the first subparagraph substitute—

“An operation comprising investment in infrastructure or productive investment shall repay the contribution from support for rural development if within five years of the final payment to the beneficiary it is subject to any of the following:”;

(ii) omit the final subparagraph;

(b) for paragraph 2 substitute—

“**2.** An operation comprising investment in infrastructure or productive investment shall repay the contribution from support for rural development if within 10 years of the final payment to the beneficiary the productive activity is subject to relocation outside the United Kingdom and its territorial sea, except where the beneficiary is an SME.”;

(c) in paragraph 4, for “Paragraphs 1, 2 and 3” substitute “Paragraphs 1 and 2”.

(29) Omit Chapters I and II of Title IX.

(30) In Article 132, omit paragraph 2(a).

(31) Omit Article 154.

(32) Omit Annex I.

(33) In Annex IV—

(a) in paragraph 1—

(i) omit point (d);

(ii) in point (e), omit “(and at the level of the fund of funds where appropriate)”;

(iii) in point (k), omit “, including the fund of funds where applicable”;

(iv) omit the final subparagraph;

(b) omit paragraph 2.

(34) Omit Annex XI.

### **Amendment of Regulation (EU) No. 1305/2013**

**7.—**(1) Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005(1) is amended, insofar as it relates to domestic support for rural development, as follows.

(2) In Article 1(1), omit the final sentence.

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(1) EUR 2013/1305, amended by S.I. 2019/748, S.I. 2019/764, and S.I. 2019/1422.



(3) In Article 2—

(a) in paragraph 1—

(i) in the first subparagraph, omit ““SMEs”,”;

(ii) in point (f), omit “permanent pasture or”;

(iii) omit point (o);

(iv) omit point (p);

(v) for point (v) substitute—

““appropriate authority” means the relevant authority for the constituent nation in which the regulations apply.”;

(b) omit paragraph 4.

(4) For Article 3 substitute—

*“Article 3*

**Aim**

Support for rural development shall contribute to the development of rural economies and sectors that are more resilient, competitive and innovative and which support the achievement of the well-being goals as set out in section 4 of the Well-being of Future Generations Act 2015<sup>(1)</sup>, the sustainable management of natural resources as set out in Part 2 of the Environment (Wales) Act 2016<sup>(2)</sup> and climate resilience.”

(5) For Article 4 substitute—

*“Article 4*

**Objectives**

Support for rural development, must contribute to achieving the following objectives:

(a) fostering the competitiveness of agriculture;

(b) contributing towards the sustainable management of natural resources as set out in Part 1 of the Environment (Wales) Act 2016;

(c) ensuring climate resilience;

(d) achieving a balanced territorial development of rural economies and communities including the creation and maintenance of employment.”

(6) For Article 5 substitute—

*“Article 5*

**Priorities for rural development**

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(1) 2015 c. 2.

(2) 2016 c. 3.

Support for rural development must support the following priorities:

(1) fostering knowledge transfer and innovation in agriculture, forestry, and rural areas;

(2) enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests;

(3) promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture;

(4) restoring, preserving and enhancing ecosystems dependent on agriculture and forestry;

(5) promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in the agriculture, food and forestry sectors;

(6) promoting social inclusion, poverty reduction and economic development in rural areas.

Each of these priorities shall contribute to the cross-cutting objectives of innovation, environment and climate change mitigation and adaptation.”

(7) For Article 6 substitute—

*“Article 6*

**The rural development programme**

Support for rural development must be provided in accordance with the rural development programme. This programme shall implement a strategy to meet the priorities for rural development through a set of measures as defined in Title III. Support for rural development must be provided to further the objectives and the priorities of rural development.”

(8) Omit Articles 8 to 12.

(9) In Article 13, omit the final sentence.

(10) In Article 14(2)—

(a) after “land managers” insert “, animal health and welfare sector”;

(b) for “SMEs” substitute “businesses”.

(11) In Article 15—

(a) in paragraph 1—

(i) in point (a), for “SMEs” substitute “businesses”;

- (ii) in paragraph 1(b), for “Articles 12 to 14” substitute “Article 12”;
  - (b) in paragraph 3, omit the final subparagraph;
  - (c) omit paragraph 3a;
  - (d) in paragraph 4—
    - (i) in point (b), omit “the agricultural practices beneficial for the climate and the environment as laid down in Chapter 3 of Title III of Regulation (EU) No 1307/2013 and”;
    - (ii) in the final subparagraph, omit “as laid down in Annex I to Regulation (EU) No 1306/2013”;
  - (e) in paragraph 6, for “SMEs” substitute “businesses”;
  - (f) in paragraph 8, omit the first sentence.
- (12) In Article 16—
- (a) in paragraph 1—
    - (i) for “shall” substitute “may”;
    - (ii) after “groups of farmers” insert “and food processors”;
  - (b) in paragraph 3, omit the final subparagraph;
  - (c) omit paragraph 4.
- (13) In Article 17—
- (a) in paragraph 1—
    - (i) for “shall” substitute “may”;
    - (ii) in point (a), after “holding” insert “, or those involved in food processing”;
    - (iii) in point (c), at the end, omit “or”;
    - (iv) after point (d) insert—
      - “; or
      - (e) are investments linked to activities to protect, conserve, promote and enhance the historic environment as a resource for the general well-being of present and future generations.”;
  - (b) in paragraph 2, after “groups of farmers” insert “or those involved in food processing”;
  - (c) omit paragraphs 3 and 4.
- (14) Omit Article 18(5).
- (15) In Article 19—
- (a) omit paragraph 1(c);
  - (b) in paragraph 2, omit the final subparagraph;
  - (c) in the third subparagraph of paragraph 4, omit “, as applicable in the relevant authority concerned.”;
  - (d) in paragraph 6, omit the first sentence;

(e) omit paragraph 7.

(16) In Article 20—

(a) in paragraph 1—

(i) in point (g), after “conversion” insert  
“and adaptive reuse”;

(ii) after point (g) insert—

“(h) investments in infrastructure or activities to protect, conserve, promote and enhance the historic environment as a resource for the general well-being of present and future generations.”;

(b) for paragraph 2 substitute—

“2. Support under this measure shall only concern small-scale infrastructure and services, as defined by each relevant authority. However, the rural development programme may provide for specific derogations from this rule for investments in broadband and renewable energy.”

(17) In Article 21(1)—

(a) for point (d) substitute—

“(d) investments in the sustainable management of woodlands;”;

(b) for point (e) substitute—

“(e) investments which contribute to the development of a National Forest in Wales;

(f) investments improving the resilience and environmental value as well as the mitigation potential of forest ecosystems;

(g) investments in forestry technologies and in the processing, the mobility and marketing of forest products;

(h) investments to protect, conserve, promote and enhance the historic environment within forest areas.”

(18) For Article 22(1) substitute—

“1. Support under point (a) of Article 21(1) shall be granted to public and private landholders and their associations and may cover the costs of establishments (including planning costs) and an annual premium per hectare to cover the costs of agricultural income foregone and maintenance, including early and late cleanings and/or payments for the public benefits derived from woodlands for a maximum period of twelve years. In the case of state owned land, support may only be granted if the body managing such land is a private body or municipality.”

- (19) In Article 23—
- (a) in paragraph 1—
    - (i) for “shall”, in the second place it occurs, substitute “may”;
    - (ii) for “for a maximum period of five years” substitute “and/or payments for the public benefits derived from the woodlands”;
  - (b) omit paragraph 3.
- (20) In Article 25(2), after “enhancement of the” insert “historic environment and the”.
- (21) Omit Article 26(3) and (4).
- (22) In Article 27—
- (a) in paragraph 1—
    - (i) for “shall” substitute “may”;
    - (ii) after “agriculture” insert “, food processing”;
  - (b) omit paragraph 4.
- (23) In Article 28—
- (a) in paragraph 1—
    - (i) for “their territories” substitute “Wales”;
    - (ii) omit “their” in the second place it occurs;
    - (iii) for “rural development programmes” substitute “the rural development programme”;
    - (iv) omit “at national and/or regional level”;
  - (b) in paragraph 5—
    - (i) for “their rural development programmes” substitute “the rural development programme” in both places it occurs;
    - (ii) omit the third to fifth subparagraphs;
  - (c) in paragraph 6, omit the second subparagraph;
  - (d) in paragraph 8, omit the first sentence;
  - (e) omit paragraph 11.
- (24) In Article 29—
- (a) in paragraph 1, omit “and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1307/2013, as applicable in the relevant authority concerned”;
  - (b) in paragraph 3, for “their rural development programmes” substitute “the rural development programme” in both places it occurs;
  - (c) in paragraph 4, omit the final subparagraph;
  - (d) omit paragraphs 5 and 6.
- (25) In Article 30—

- (a) in paragraph 1, omit the final subparagraph;
  - (b) in paragraph 4—
    - (i) in point (a), omit “as it applies in the constituent nation”;
    - (ii) in point (c), omit “as it applied in the constituent nation existing”;
  - (c) omit paragraphs 7 and 8.
- (26) In Article 31—
- (a) in paragraph 1, omit “, taking into account payments pursuant to Chapter 4 of Title III of Regulation (EU) No 1307/2013”;
  - (b) in paragraph 2, omit “and are active farmers within the meaning of Article 9 of Regulation (EU) No 1307/2013”;
  - (c) omit paragraph 3;
  - (d) in paragraph 4—
    - (i) omit “, except if the grant covers only the minimum payment per hectare per year as laid down in Annex II”;
    - (ii) in point (a), omit “as it applies in the constituent nation”;
  - (e) omit paragraph 5.
- (27) In Article 32, in paragraph 4, omit the final subparagraph.
- (28) In Article 33—
- (a) for “animal welfare” substitute “animal health and welfare” in the heading and in each place it occurs;
  - (b) in paragraph 1, omit “and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1307/2013,”;
  - (c) in paragraph 3, omit the final subparagraph.
- (29) In Article 34—
- (a) for the heading substitute “Forest-environmental, climate commitments and forest historic environment commitments”;
  - (b) in paragraph 1—
    - (i) for “forest environment and climate commitments” substitute “forest-environmental, climate commitments and forest historic environment commitments”;
    - (ii) for “their rural development programmes” substitute “the rural development programme”;
    - (iii) in paragraph 3, in the first subparagraph, omit the final sentence.
- (30) In Article 35—
- (a) omit paragraph 1(c);

- (b) in paragraph 5(b), omit “or a project to be carried out by an operational group of the EIP for Agricultural Productivity and Sustainability as referred to in Article 56”;
  - (c) in paragraph 6, omit “or support under Regulation 508/2014, CMO support or direct payment support”.
- (31) Omit Article 36(2) and (5).
- (32) Omit Article 37(5).
- (33) In Article 38—
- (a) in paragraph 3, for the second subparagraph substitute—
 

“Support under point (b) of Article 36(1) shall only be granted to cover for loss caused by the outbreak of adverse climatic events, an animal or plant disease, a pest infestation, or a measure adopted in accordance with Directive 2000/29/EC to eradicate or contain a plant disease or pest or an environmental incident, which destroy more than 30% of the average annual production of the farmer in the preceding three-year period or a three-year average based on the preceding five-year period, excluding the highest and lowest entry. Indexes may be used in order to calculate the annual production of the farmer. The calculation method used shall permit the determination of the actual loss of an individual farmer in a given year.”;
  - (b) omit paragraph 5.
- (34) In Article 39—
- (a) for paragraph 1 substitute—
 

“1. Support under point (c) of Article 36(1) shall only be granted where the drop in income exceeds 30% of the average annual income of the individual farmer in the preceding three-year period or a three-year average based on the preceding five-year period excluding the highest and lowest entry. Income for the purposes of point (c) of Article 36(1) shall refer to the sum of revenues the farmer receives from the market, including any form of public support, deducting input costs. Payments by the mutual fund to farmers shall compensate for less than 70% of the income lost in the year the producer becomes eligible to receive this assistance. Indexes may be used to calculate the annual loss of income of the farmer.”;
  - (b) in paragraph 5, omit the first sentence.
- (35) Omit Article 39b.
- (36) In Article 41(c), omit “other than those used in Annex II,”.

(37) In Article 42, for paragraph 1 substitute—

“1. In addition to the tasks referred to in Article 34 of Regulation (EU) No 1303/2013 local action groups may also perform additional tasks delegated to them by the Managing Authority and/or the paying agency.”

(38) Omit Article 43.

(39) In Article 45(5), for “EUR 200 000” substitute “£200 000”.

(40) In Article 46(2)—

(a) omit “in each of the constituent nations”;

(b) omit “, or, before IP completion day, to the Commission.”.

(41) In Article 47(6), after “public money,” insert “the”.

(42) In Article 48—

(a) omit the last sentence of the first subparagraph;

(b) omit the second subparagraph.

(43) In Article 49—

(a) in paragraph 1, omit “following consultation with the Monitoring Committee” in both places that it occurs;

(b) in paragraph 2, for “39b” substitute “39a”.

(44) Omit Articles 51 to 59.

(45) In Article 60—

(a) in paragraph 2, omit “an” in the first subparagraph;

(b) omit paragraph 3.

(46) In Article 63(1), in the first sentence, for “shall” substitute “may”.

(47) Omit Articles 65 to 80.

(48) For the heading of Chapter I of Title IX substitute “Powers”.

(49) In Article 86—

(a) in paragraph 1, omit “respective”;

(b) omit paragraph 2.

(50) Omit Articles 88 to 90.

(51) Omit Annexes I, Ia and II.

(52) In Annex III, for “Member States” substitute “The relevant authority”.

(53) Omit Annexes V and VI.

#### **Amendment of Commission Delegated Regulation (EU) No. 480/2014**

**8.**—(1) Commission Delegated Regulation (EU) No 480/2014 supplementing Regulation (EU) No



1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund<sup>(1)</sup>, is amended, insofar as it relates to domestic support for rural development, as follows.

(2) In Article 1(a), omit “and support under Regulation 508/2014”.

(3) In Article 1A, omit “and support under Regulation 508/2014”.

(4) In the Chapter II heading, omit “and support under Regulation 508/2014”.

(5) In Article 6(3)(a), omit the words from “or, in the case of a fund” to the end.

(6) Omit Article 7(3).

(7) In Article 8, omit “ex ante” in both places it occurs.

(8) In Article 9—

(a) for the heading substitute “Management and control of financial instruments set up at national or regional level”;

(b) in paragraph 1—

(i) for “national, regional transnational or cross border” substitute “national or regional”;

(ii) omit “referred to in Article 38(1)(b) of Regulation (EU) No 1303/2013”;

(iii) in point (c), omit the words from “in accordance with Article 125(4)” to “Regulation (EU) No 1305/2013”;

(iv) for point (d)(i) substitute—

“(i) kept for the operation by the managing authority or the financial intermediary in order to provide evidence of the use of the funds for the intended purposes, of compliance with applicable law and of compliance with the criteria and the conditions for funding under the relevant programmes;”;

(v) in point (e)—

(aa) in point (ii), omit “axis”;

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(1) EUR 2014/480, amended by S.I. 2019/783, 2015/616 and 2019/625.

- (bb) in point (ii), omit “and support under Regulation 508/2014”;
  - (cc) omit point (ix);
- (c) in paragraph 2, omit the first subparagraph.
- (9) In the second subparagraph of Article 10, omit the final sentence.
- (10) In Article 11—
  - (a) in paragraph 1, omit “referred to in Article 42(1)(c) of Regulation (EU) No 1303/2013”;
  - (b) omit paragraph 2.
- (11) In Article 12—
  - (a) in paragraph 1, omit “pursuant to Article 42(1)(d) of Regulation (EU) No 1303/2013”;
  - (b) omit paragraph 2.
- (12) In Article 13—
  - (a) omit paragraph 1;
  - (b) in paragraph 2—
    - (i) omit “pursuant to Article 42(1)(d) of that Regulation”;
    - (ii) in point (a)—
      - (aa) in point (i), omit “or to the fund of funds.”;
      - (bb) in point (ii), omit “, or to the fund of funds.”;
    - (iii) in point (b)—
      - (aa) in point (i), omit “within the meaning of Article 42(1)(a) of Regulation (EU) No 1303/2013”;
      - (bb) in point (ii), omit “within the meaning of Article 42(1)(a) of Regulation (EU) No 1303/2013”;
      - (cc) in point (iii), omit “within the meaning of Article 42(1)(b) of Regulation (EU) No 1303/2013”;
      - (dd) in point (iv), omit “within the meaning of Article 42(1)(a) of Regulation (EU) No 1303/2013”;
      - (ee) in point (v), omit “within the meaning of Article 42(1)(a) of that Regulation”;
    - (iv) omit the final subparagraph;
  - (c) in paragraph 3—
    - (i) omit “laid down in Article 65(2) of Regulation (EU) No 1303/2013”;
    - (ii) omit paragraph 3(a);
  - (d) omit paragraph 4;
  - (e) in paragraph 6—
    - (i) omit “1.”;

- (ii) omit “, including, where applicable, when it implements the fund of funds,”.

(13) In Article 14—

- (a) in paragraph 1—
  - (i) omit “in accordance with Article 42(2) of Regulation (EU) No 1303/2013”;
  - (ii) omit “for the period laid down in Article 42(2) of that Regulation,”;
- (b) in paragraph 2—
  - (i) omit “within the meaning of Article 42(1)(a) of Regulation (EU) No 1303/2013”;
  - (ii) omit “or the period referred to in Article 42(2) of that Regulation,”;
- (c) in paragraph 3—
  - (i) omit “within the meaning of Article 42(1)(a) of Regulation (EU) No 1303/2013”;
  - (ii) for “, the end of the recovery procedure in the case of defaults or the period referred to in Article 42(2) of that Regulation,” substitute “or the end of the recovery procedure in the case of defaults,”;
- (d) omit paragraph 4.

(14) In Article 16(b), omit “or regional budgets or national public insurance”.

(15) In Article 19(3), omit “or support under Regulation 508/2014”.

(16) In Article 20—

- (a) in point (c), omit the final sentence;
- (b) omit point (d).

(17) In Article 21—

- (a) omit “(EU, Euratom)” in the heading and the first subparagraph;
- (b) omit point (d).

#### **Amendment of Commission Delegated Regulation (EU) No. 807/2014**

**9.**—(1) Commission Delegated Regulation (EU) No 807/2014 of 11 March 2014 supplementing Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions<sup>(1)</sup>, is amended, insofar as relates to domestic support for rural development, as follows.

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(1) EUR 2014/807, amended by S.I. 2019/770.

(2) In Article 1—

- (a) in paragraph 1, in point (i), after “animal” insert “health and”;
- (b) omit paragraph 2.

(3) In Article 3, for “in their rural development programmes” substitute “in the rural development programme”.

(4) Omit Article 9.

(5) In Article 10, for “animal welfare” substitute “animal health and welfare” in each place it occurs (including the heading).

(6) In Article 13(1)(c), omit “, where such standards exist at national level”.

(7) In Article 14(1)(a), for “animal welfare” substitute “animal health and welfare”.

(8) Omit Articles 16, 19 and 20.

(9) Omit Annexes I and II.

#### **Amendment of Commission Implementing Regulation (EU) No. 808/2014 of the European Parliament and of the Council**

**10.**—(1) Commission Implementing Regulation (EU) No. 808/2014 of the European Parliament and of the Council of 17 July 2014 laying down rules for the application of Regulation (EU) No 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) **(1)**, is amended, insofar as it relates to domestic support for rural development, as follows.

(2) Omit Articles 2 and 4.

(3) In Article 11(1), omit the final sentence.

(4) Omit Articles 12 and 14 to 17.

(5) Omit Annex I.

(6) Omit Annex IV, V and VII.

#### **Amendment of Commission Implementing Regulation (EU) No. 821/2014**

**11.**—(1) Commission Implementing Regulation (EU) No 821/2014 laying down rules for the application of Regulation (EU) No 1303/2013 of the European Parliament and of the Council as regards detailed arrangements for the transfer and management of programme contributions, the reporting on financial instruments, technical characteristics of information and communication measures for operations and the system to record and store data**(2)**, is amended, insofar

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(1) EUR 2014/808, amended by S.I. 2019/770.

(2) EUR 964/2014, amended by 2019/783 and 2016/1157.

as it relates to domestic support for rural development, as follows.

(2) In Article A1, omit “and support under Regulation 508/2014”.

(3) In Article 1—

- (a) in paragraph 1, omit “axis” in both places it occurs;
- (b) in paragraph 2—
  - (i) omit “Fund-specific”;
  - (ii) omit “constituting national co-financing and”;
- (c) in paragraph 3, omit “constituting national co-financing” in each place it occurs;
- (d) in paragraph 4, for “contributions from the programmes” substitute “contribution from the programme”;
- (e) in paragraph 5, omit “constituting national co-financing”;
- (f) in paragraph 6, omit “constituting national co-financing”.

(4) Omit Article 2.

(5) Omit Annex I.

#### **Amendment of Commission Implementing Regulation (EU) No. 964/2014**

**12.**—(1) Commission Implementing Regulation (EU) No. 964/2014 laying down rules for the application of Regulation (EU) No. 1303/2013 of the European Parliament and of the Council as regards standard terms and conditions for financial instruments, is amended, insofar as it relates to domestic support for rural development, as follows.

(2) In Article 1A, omit “and support under Regulation 508/2014”.

(3) In Article 3(1), omit the words from “or support under Regulation 508/2014” to the end.

(4) In Article 4—

- (a) in paragraph 1, omit “or, if applicable, the fund of funds manager”;
- (b) in paragraph 2, omit the final sentence;
- (c) in paragraph 4—
  - (i) omit “fund of funds manager and the”;
  - (ii) omit “fund of funds manager or of the”.

(5) In Article 5—

- (a) in paragraph 1, omit “which shall contain the terms and conditions in accordance with Annex I.”;
- (b) in paragraph 2, omit point (a).

- (6) Omit Article 6(2).
- (7) Omit Article 7(2).
- (8) Omit Article 8(3).
- (9) In Article 8a—
  - (a) in paragraph 1—
    - (i) for “small and medium-sized enterprises (SMEs)” substitute “businesses”;
    - (ii) for “investments in SMEs” substitute “investments in businesses”;
  - (b) omit paragraph 2.
- (10) Omit Annexes I to V.

## PART 4

### Rural Development: Domestic Legislation

#### **Amendment of the Rural Development Programmes (Wales) Regulations 2014**

**13.** Omit regulation 2(3) of the Rural Development Programmes (Wales) Regulations 2014(1).

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

**14.**—(1) The Common Agricultural Policy (Integrated Administration and Control System and Enforcement and Cross Compliance) (Wales) Regulations 2014(2) are amended, in so far as they relate to domestic support for rural development, as follows.

(2) 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

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(1) S.I. 2014/3222 (W. 327), amended by S.I. 2019/688 (W. 132).  
 (2) 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), S.I. 2020/104 (W. 17) and S.I. 2020/1556 (W. 328).

(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<sup>(1)</sup> but such consent has not been obtained;

“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.”

## PART 5

### Direct Payments: Horizontal Legislation

#### **Amendment of Regulation (EU) No. 1306/2013**

**15.**—(1) Regulation (EU) No. 1306/2013, is amended, insofar as it relates to direct payments, as follows.

(2) In Article 63(5)(b), after “as well as” insert “in respect of unduly allocated payment entitlements and”.

(3) After Article 76(2)(a) insert—

“(aa) the basic features, technical rules and quality requirements of the system for the identification and registration of payment entitlements provided for in Article 71;”.

(4) In Article 78(b), after “Article 72,” insert “and applications for payment entitlements,”.

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

**16.**—(1) Commission Delegated Regulation (EU) No. 640/2014, insofar as it relates to direct payments, is amended as follows.

(2) Omit the final subparagraph of Article 9(1).

(3) In Article 12(b), for “third of” substitute “second subparagraph of”.

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(1) 1981 c. 69.

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

17.—(1) Commission Implementing Regulation (EU) No. 809/2014 is amended, insofar as it relates to direct payments, as follows.

(2) In the second subparagraph of Article 36(2), omit the words from “in accordance” to the end.

*Name*

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

Date