

Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and amending Regulations (EEC) No 2019/93, (EC) No 1452/2001, (EC) No 1453/2001, (EC) No 1454/2001, (EC) 1868/94, (EC) No 1251/1999, (EC) No 1254/1999, (EC) No 1673/2000, (EEC) No 2358/71 and (EC) No 2529/2001 (repealed)

## TITLE II **U.K.**

### GENERAL PROVISIONS

#### CHAPTER 1 **U.K.**

#### CROSS COMPLIANCE

##### *Article 3* **U.K.**

##### **Main requirements**

- 1 A farmer receiving direct payments shall respect the statutory management requirements referred to in Annex III, according to the timetable fixed in that Annex, and the good agricultural and environmental condition established under Article 5.
- 2 The competent national authority shall provide the farmer with the list of statutory management requirements and good agricultural and environmental condition to be respected.

##### *Article 4* **U.K.**

##### **Statutory management requirements**

- 1 The statutory management requirements referred to in Annex III shall be established by Community legislation in the following areas:
  - public, animal and plant health,
  - environment,
  - animal welfare.
- 2 The acts referred to in Annex III shall apply within the framework of this Regulation in the version as amended from time to time and, in case of Directives, as implemented by the Member States.

##### *Article 5* **U.K.**

##### **Good agricultural and environmental condition**

- 1 Member States shall ensure that all agricultural land, especially land which is no longer used for production purposes, is maintained in good agricultural and environmental condition. Member States shall define, at national or regional level, minimum requirements for

*Status: Point in time view as at 01/01/2005.*

*Changes to legislation: There are currently no known outstanding effects for the Council Regulation (EC) No 1782/2003 (repealed), TITLE II. (See end of Document for details)*

good agricultural and environmental condition on the basis of the framework set up in Annex IV, taking into account the specific characteristics of the areas concerned, including soil and climatic condition, existing farming systems, land use, crop rotation, farming practices, and farm structures. This is without prejudice to the standards governing good agricultural practices as applied in the context of Council Regulation (EC) No 1257/1999 and to agri-environment measures applied above the reference level of good agricultural practices.

2 Member States shall ensure that land which was under permanent pasture at the date provided for the area aid applications for 2003 is maintained under permanent pasture.<sup>[F1]</sup>The new Member States shall ensure that land which was under permanent pasture on 1 May 2004 is maintained under permanent pasture.]

However a Member State may, in duly justified circumstances, derogate from the first subparagraph, provided that it takes action to prevent any significant decrease in its total permanent pasture area.

The first subparagraph shall not apply to land under permanent pasture to be afforested, if such afforestation is compatible with the environment and with the exclusion of plantations of Christmas trees and fast growing species cultivated in the short term.

#### Textual Amendments

- F1** Inserted by [Council Regulation \(EC\) No 583/2004 of 22 March 2004 amending Regulations \(EC\) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers, \(EC\) No 1786/2003 on the common organisation of the market in dried fodder and \(EC\) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund \(EAGGF\) by reason of the accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia to the European Union.](#)

#### Article 6 **U.K.**

##### Reduction or exclusion from payments

1 Where the statutory management requirements or good agricultural and environmental condition are not complied with, as a result of an action or omission directly attributable to the individual farmer, the total amount of direct payments to be granted in the calendar year in which the non-compliance occurs, and after application of Articles 10 and 11, shall be reduced or cancelled in accordance with the detailed rules laid down under Article 7.

2 The reductions or exclusions referred to in paragraph 1 shall only apply if the non-compliance relates to:

- a an agricultural activity, or
- b an agricultural land of the holding, including the parcels on set aside.

#### Article 7 **U.K.**

##### Detailed rules for reduction or exclusion

1 Detailed rules for the reductions and exclusions referred to in Article 6 shall be laid down in accordance with the procedure referred to in Article 144(2). In this context, account

---

*Status: Point in time view as at 01/01/2005.*

*Changes to legislation: There are currently no known outstanding effects for the Council Regulation (EC) No 1782/2003 (repealed), TITLE II. (See end of Document for details)*

---

shall be taken of the severity, extent, permanence and repetition of the non-compliance found as well as of the criteria set out in paragraphs 2, 3 and 4 of this Article.

2 In case of negligence, the percentage of reduction shall not exceed 5 % and, in case of repeated non-compliance, 15 %.

3 In case of intentional non-compliance, the percentage of reduction shall not in principle be less than 20 % and may go as far as total exclusion from one or several aid schemes and apply for one or more calendar years.

4 In any case, the total amount of reductions and exclusions for one calendar year shall not be more than the total amount referred to in Article 6(1).

#### Article 8 **U.K.**

##### **Review**

By 31 December 2007 at the latest, the Commission shall submit a report on the application of the system of cross compliance accompanied, if necessary, by appropriate proposals notably with the view of amending the list of statutory management requirements set out in Annex III.

#### Article 9 **U.K.**

##### **Amounts resulting from cross compliance**

The amount resulting from the application of this Chapter shall be credited to the EAGGF 'Guarantee' Section. Member State may retain 25 % of those amounts.

### CHAPTER 2 **U.K.**

#### **MODULATION AND FINANCIAL DISCIPLINE**

#### Article 10 **U.K.**

##### **Modulation**

1 All the amounts of direct payments to be granted in a given calendar year to a farmer in a given Member State shall be reduced for each year until 2012 by the following percentages:

- 2005: 3 %,
- 2006: 4 %,
- 2007: 5 %,
- 2008: 5 %,
- 2009: 5 %,
- 2010: 5 %,
- 2011: 5 %,
- 2012: 5 %.

2 The amounts resulting from application of the reductions provided for in paragraph 1, after deducting the total amounts referred to in Annex II, shall be available as additional

---

*Status: Point in time view as at 01/01/2005.*

*Changes to legislation: There are currently no known outstanding effects for the Council Regulation (EC) No 1782/2003 (repealed), TITLE II. (See end of Document for details)*

---

Community support for measures under rural development programming financed under the EAGGF 'Guarantee' Section according to Regulation (EC) No 1257/1999.

3 The amount corresponding to one percentage point shall be allocated to the Member State where the corresponding amounts have been generated. The remaining amounts shall be allocated to the Member States concerned in accordance with the procedure referred to in Article 144(2) on the basis of the following criteria:

- agricultural area,
- agricultural employment,
- gross domestic product (GDP) per capita in purchasing power.

However, any Member State shall receive at least 80 % of the total amounts which the modulation has generated in that Member State.

4 By way of derogation from the second subparagraph of paragraph 3, if in a Member State the proportion of rye as part of its total cereal production exceeded 5 % on average during the period 2000-2002 and its proportion of the total Community production of rye exceeded 50 % during the same period, at least 90 % of the amounts which the modulation generated in the Member State concerned shall be reallocated to that Member State, until 2013 included.

In such a case, without prejudice to the possibility provided for by Article 69, at least 10 % of the amount allocated to the Member State concerned shall be available for measures referred to in paragraph 2 of this Article in rye producing regions.

For the purpose of this paragraph, 'cereals' mean the cereals referred to in Annex IX.

5 Paragraph 1 shall not apply to direct payments granted to farmers in the French overseas departments, in the Azores and Madeira, in the Canary and Aegean islands.

#### *Article 11* U.K.

### **Financial discipline**

1 Starting with the budget 2007, with a view to ensuring that the amounts for the financing of the common agricultural policy currently under subheading 1a (market measures and direct aids) respect the annual ceilings set out in the Decision of the Representatives of the Governments of the Member States, meeting within the Council on 18 November 2002, concerning the Conclusions of the European Council meeting in Brussels on 24 and 25 October 2002, an adjustment of the direct payments shall be fixed when the forecasts indicate that the amounts foreseen under subheading 1a taking into account a margin of EUR 300 million below the amounts foreseen and before application of modulation provided for in Article 10(2), will be exceeded in a given budget year. This is without prejudice to the financial perspectives for 2007-2013.

2 The Council, on a Commission's proposal presented not later than 31 March of the calendar year in respect of which the adjustments referred to in paragraph 1 apply, shall fix these adjustments at latest by 30 June of the calendar year in respect of which the adjustments apply.

#### *Article 12* U.K.

### **Additional amount of aid**

1 An additional amount of aid shall be granted to farmers receiving direct payments under this Regulation.

*Status: Point in time view as at 01/01/2005.*

*Changes to legislation: There are currently no known outstanding effects for the Council Regulation (EC) No 1782/2003 (repealed), TITLE II. (See end of Document for details)*

The additional amount of aid shall be equal to the amount resulting from the application of the percentages of reduction for that calendar year under Article 10 to the first EUR 5 000 or less of direct payments.

2 The total additional amounts of aid which may be granted in a Member State in a calendar year shall not be higher than the ceilings set out in Annex II. Where necessary, Member States shall proceed to a linear percentage adjustment of additional amounts of aid in order to respect the ceilings set out in Annex II.

3 The additional amount of aid shall not be subject to the reductions referred to in Article 10.

4 Starting with the budget 2007, the Commission, in accordance with the procedure referred to in Article 144(2), shall review the ceilings set out in Annex II in order to take into account structural changes of the holdings.

[<sup>F15</sup> For the new Member States, the ceilings referred to in paragraph 2 shall be fixed by the Commission in accordance with the procedure referred to in Article 144(2).]

#### Textual Amendments

- F1** Inserted by Council Regulation (EC) No 583/2004 of 22 March 2004 amending Regulations (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers, (EC) No 1786/2003 on the common organisation of the market in dried fodder and (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) by reason of the accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia to the European Union.

[<sup>F1</sup>Article 12a **U.K.**

#### Application to new Member States

1 Articles 10 and 12 shall not apply to the new Member States until the beginning of the calendar year, in respect of which the level of direct payments applicable in the new Member States is at least equal to the then applicable level of such payments in the Community as constituted on 30 April 2004.

2 In the framework of the application of the schedule of increments provided for in Article 143a to all direct payments granted in the new Member States, Article 11 shall not apply to the new Member States until the beginning of the calendar year, in respect of which the level of direct payments applicable in the new Member States is at least equal to the then applicable level of such payments in the Community as constituted on 30 April 2004.]

#### Textual Amendments

- F1** Inserted by Council Regulation (EC) No 583/2004 of 22 March 2004 amending Regulations (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers, (EC) No 1786/2003 on the common organisation of the market in dried fodder and (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) by reason of the accession

*Status: Point in time view as at 01/01/2005.*

*Changes to legislation: There are currently no known outstanding effects for the Council Regulation (EC) No 1782/2003 (repealed), TITLE II. (See end of Document for details)*

of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia to the European Union.

## CHAPTER 3 **U.K.**

### FARM ADVISORY SYSTEM

#### Article 13 **U.K.**

##### Farm advisory system

1 By 1 January 2007, Member States shall set up a system of advising farmers on land and farm management (hereinafter referred to as the ‘farm advisory system’) operated by one or more designated authorities or by private bodies.

2 The advisory activity shall cover at least the statutory management requirements and the good agricultural and environmental condition referred to in Chapter I.

#### Article 14 **U.K.**

##### Conditions

1 Farmers may participate in the farm advisory system on a voluntary basis.

2 Member States shall give priority to the farmers who receive more than EUR 15 000 of direct payments per year.

#### Article 15 **U.K.**

##### Obligations of approved private bodies and designated authorities

Without prejudice to national legislation concerning public access to documents, Member States shall ensure that private bodies and designated authorities referred to in Article 13 do not disclose personal or individual information and data they obtain in their advisory activity to persons other than the farmer managing the holding concerned, except any irregularity or infringement found during their activity which is covered by an obligation laid down in Community or national law to inform a public authority, in particular in case of criminal offences.

#### Article 16 **U.K.**

##### Review

By 31 December 2010 at the latest, the Commission shall submit a report on the application of the farm advisory system, accompanied, if necessary, by appropriate proposals with a view of rendering it compulsory.

*Status: Point in time view as at 01/01/2005.*

*Changes to legislation: There are currently no known outstanding effects for the Council Regulation (EC) No 1782/2003 (repealed), TITLE II. (See end of Document for details)*

## CHAPTER 4 **U.K.**

### INTEGRATED ADMINISTRATION AND CONTROL SYSTEM

#### Article 17 **U.K.**

##### Scope

Each Member State shall set up an integrated administration and control system, hereinafter referred to as the ‘integrated system’.

The integrated system shall apply to the support schemes established under Titles III and IV of this Regulation and under Article 2a of Regulation (EC) No 1259/1999.

To the extent necessary, it shall also apply to the administration and control of the rules laid down in Chapters 1, 2 and 3.

#### Article 18 **U.K.**

##### Elements of the integrated system

- 1 The integrated system shall comprise the following elements:
  - a a computerised data base,
  - b an identification system for agricultural parcels,
  - c a system for the identification and registration of payment entitlements as referred to in Article 21,
  - d aid applications,
  - e an integrated control system,
  - f a single system to record the identity of each farmer who submits an aid application.
- 2 In case of application of Articles 67, 68, 69, 70 and 71, the integrated system shall comprise a system of identification and registration of animals set up in accordance with Directive 92/102/EEC<sup>(1)</sup> and Regulation (EC) No 1760/2000<sup>(2)</sup>.

#### Article 19 **U.K.**

##### Computerised data base

1 The computerised data base shall record, for each agricultural holding, the data obtained from aid applications.

This data base shall, in particular, allow direct and immediate consultation, through the competent authority of the Member State, of the data relating to the calendar and/or marketing years starting from the year 2000.

2 The Member States may set up decentralised data bases on condition that these, and the administrative procedures for recording and accessing data, are designed homogeneously throughout the territory of the Member State and are compatible with one another in order to allow cross-checks.

---

*Status: Point in time view as at 01/01/2005.*

*Changes to legislation: There are currently no known outstanding effects for the Council Regulation (EC) No 1782/2003 (repealed), TITLE II. (See end of Document for details)*

---

Article 20 **U.K.**

**Identification system for agricultural parcels**

The identification system for agricultural parcels shall be established on the basis of maps or land registry documents or other cartographic references. Use shall be made of computerised geographical information system techniques including preferably aerial or spatial orthoimagery, with an homogenous standard guaranteeing accuracy at least equivalent to cartography at a scale of 1:10 000.

Article 21 **U.K.**

**System for the identification and registration of payment entitlements**

1 The system for the identification and registration of payment entitlements shall be set up allowing verification of entitlements and cross-checks with the aid applications and the identification system for agricultural parcels.

2 This system shall allow direct and immediate consultation, through the competent authority of the Member State, of the data relating to at least the previous three consecutive calendar and/or marketing years.

Article 22 **U.K.**

**Aid applications**

1 Each year, a farmer shall submit an application for direct payments subject to the integrated system, indicating, where applicable:

- all agricultural parcels of the holding,
- the number and amount of payment entitlements,
- any other information provided for by this Regulation or by the Member State concerned.

2 A Member State may decide that the aid application needs to contain only changes with respect to the aid application submitted the previous year. A Member State shall distribute pre-printed forms based on the areas determined in the previous year and supply graphic material indicating the location of those areas.

3 A Member State may decide that a single aid application shall cover several or all support schemes listed in Annex I or other support schemes.

Article 23 **U.K.**

**Verification of eligibility conditions**

1 Member States shall carry out administrative checks on the aid applications including a verification of the eligible area and the corresponding payment entitlements.

2 Administrative checks shall be supplemented by a system of on-the-spot checks to verify eligibility for the aid. For this purpose, Member States shall draw up a sampling plan of agricultural holdings.



---

*Status:* Point in time view as at 01/01/2005.

*Changes to legislation:* There are currently no known outstanding effects for the Council Regulation (EC) No 1782/2003 (repealed), TITLE II. (See end of Document for details)

---

Member States may use remote sensing techniques as a means to carry out on-the-spot checks on agricultural parcels.

3 Each Member State shall designate an authority responsible for coordinating the checks provided for in this Chapter.

Where the Member State provides for the delegation of some aspects of the work to be carried out under this Chapter to specialised agencies or firms, the designated authority shall retain control over, and responsibility for, that work.

Article 24 **U.K.**

### **Reductions and exclusions**

1 Without prejudice to reductions and exclusions provided for in Article 6 of this Regulation, where it is found that the farmer does not comply with the eligibility conditions relevant to the granting of the aid as provided for in this Regulation or by Article 2a of Regulation (EC) No 1259/1999, the payment or part of the payment granted or to be granted for which the conditions of eligibility have been met shall be subject to reductions and exclusions to be laid down in accordance with the procedure referred to in Article 144(2) of this Regulation.

2 The percentage of reduction shall be graduated according to the severity, extent, permanence and repetition of the non-compliance found and may go as far as total exclusion from one or several aid schemes for one or more calendar years.

Article 25 **U.K.**

### **Controls on cross compliance**

1 Member States shall carry out on-the-spot-checks to verify whether the farmer complies with the obligations referred to in Chapter 1.

2 Member States may make use of their existing administration and control systems to ensure compliance with the statutory management requirements and good agricultural and environmental condition referred to in Chapter 1.

These systems, and notably the system for identification and registration of animals set up in accordance with Directive 92/102/EEC and Regulation (EC) No 1760/2000, shall be compatible, within the meaning of Article 26 of this Regulation, with the integrated system.

Article 26 **U.K.**

### **Compatibility**

For the purpose of applying the support schemes listed in Annex V, Member States shall ensure that the administration and control procedures applied to these schemes are compatible with the integrated system in the following respects:

- (a) the computerised data base;
- (b) the identification systems for agricultural parcels;
- (c) administrative checks.

---

*Status: Point in time view as at 01/01/2005.*

*Changes to legislation: There are currently no known outstanding effects for the Council Regulation (EC) No 1782/2003 (repealed), TITLE II. (See end of Document for details)*

---

To this end, these systems shall be set up so as to allow, without any problems or conflicts, a common functioning of, or the exchange of data between, them.

Member States may, for the purposes of applying Community or national support schemes other than those listed in Annex V, incorporate in their administration and control procedures one or more components of the integrated system.

*Article 27* **U.K.**

**Information and checks**

1 The Commission shall be kept regularly informed of the application of the integrated system.

It shall organise exchanges of views on this subject with the Member States.

2 After informing the competent authorities concerned in good time, authorised representatives appointed by the Commission may carry out:

- any examination or control relating to the measures taken in order to establish and to implement the integrated system,
- checks at the specialised agencies and firms referred to in Article 23(3).

Officials of the Member State concerned may take part in such checks. The aforementioned powers to carry out checks shall not affect the application of national law provisions which reserve certain acts for officials specifically designated by national law. The authorised representatives appointed by the Commission shall in particular not participate in home visits to or the formal interrogation of suspects under the national law of the Member State. They shall, however, have access to the information obtained thereby.

3 Without prejudice to the responsibilities of the Member States for the implementation and application of the integrated system, the Commission may seek the assistance of specialised bodies or persons in order to facilitate the establishment, monitoring and utilisation of the integrated system, in particular with a view to providing the competent authorities of the Member States with technical advice, should they request it.

CHAPTER 5 **U.K.**

**OTHER GENERAL PROVISIONS**

*Article 28* **U.K.**

**Payment**

1 Save as otherwise provided for in this Regulation, payments under support schemes listed in Annex I shall be made in full to the beneficiaries.

2 Payments shall be made once a year within the period from 1 December to 30 June of the following calendar year.

However, the additional amount of aid provided for in Article 12 shall be paid by 30 September at the latest of the calendar year following the calendar year concerned.

---

*Status: Point in time view as at 01/01/2005.*

*Changes to legislation: There are currently no known outstanding effects for the Council Regulation (EC) No 1782/2003 (repealed), TITLE II. (See end of Document for details)*

---

3 By way of derogation from paragraph 2 of this Article and in accordance with the procedure referred to in Article 144(2), the Commission may:

- a extend the date of payment for the payments provided for in Article 5(1) of Regulation 136/66/EEC of the Council of 22 September 1966 on the establishment of a common organisation of the market in oils and fats<sup>(3)</sup>;
- b provide for advances;
- c authorise the Member States, subject to the budgetary situation, to pay prior to 1 December advances in regions where, due to exceptional conditions, farmers face severe financial difficulties:
  - of up to 50 % of the payments,
  - or
  - of up to 80 % of the payments in case advances have already been provided for.

*Article 29* **U.K.**

### **Restriction of payment**

Without prejudice to any specific provisions in individual support schemes, no payment shall be made in favour of beneficiaries for whom it is established that they artificially created the conditions required for obtaining such payments with a view to obtaining an advantage contrary to the objectives of that support scheme.

*Article 30* **U.K.**

### **Review**

Support schemes listed in Annex I shall be applied without prejudice to possible review at any moment in the light of market developments and the budgetary situation.

*Article 31* **U.K.**

### **Evaluation**

In order to gauge their effectiveness, payments under support schemes listed in Annex I shall be subject to evaluation designed to appraise their impact with respect to their objectives and to analyse their effects on the relevant markets.

*Article 32* **U.K.**

### **Interventions under Regulation (EC) No 1258/1999**

The support schemes listed in Annex I shall be considered as ‘intervention’ as referred to in Article 1(2)(b) and Article 2(2) of Regulation (EC) No 1258/1999.

---

**Status:** Point in time view as at 01/01/2005.

**Changes to legislation:** There are currently no known outstanding effects for the Council Regulation (EC) No 1782/2003 (repealed), TITLE II. (See end of Document for details)

---

- (1) OJ L 355, 15.12.1992, p. 32. Directive as amended by the 1994 Act of Accession.
- (2) OJ L 204, 11.8.2000, p. 1.
- (3) OJ 172, 30.9.1966, p. 3025/66. Regulation as last amended by Regulation (EC) No 1513/2001 (OJ L 201, 26.7.2001, p. 4).

**Status:**

Point in time view as at 01/01/2005.

**Changes to legislation:**

There are currently no known outstanding effects for the Council Regulation (EC) No 1782/2003 (repealed), TITLE II.