

## EXPLANATORY NOTE

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

These Regulations are made in exercise of the powers conferred by section 50(3) and Schedule 6 paragraphs 2, and 5 of the Agriculture Act 2020 (c. 21) in order to make provision in retained EU law governing the direct payment schemes.

Part 2 amends the Direct Payments Regulation to limit to 3, the number of times an applicant and the number of times a farm business can submit an application to the Regional Reserve.

Part 3 amends the Direct Payments Regulation to reduce the number of payment entitlements to be allocated to a farmer by the number of entitlements temporarily transferred out by that farmer and by the number of entitlements permanently transferred out by that farmer in the scheme year of application and the previous 2 scheme years, provided those scheme years relate to 2022 or later.

Part 4 amends the Direct Payments Regulation to limit to 5 years the length of time a farm business can receive the young farmers payment even if there is a change in the head of holding during that period.