
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision in retained EU law governing rural support schemes for securing the continuation of those schemes in Scotland beyond 2020 and to correct deficiencies resulting from EU exit.

EU legislation governing rural development schemes will become domestic law on IP completion day under the European Union (Withdrawal) Act 2018 (c.16) (the “2018 act”). “IP completion day” means 31 December 2020 at 11.00pm (see section 1A(6) of the 2018 Act and section 39(1) to (5) of the European Union (Withdrawal Agreement) Act 2020 (c.1)).

EU legislation governing the 2020 Common Agricultural Policy (“CAP”) direct payment schemes became part of domestic law in the UK on exit day (31 January 2020) under section 1 of the Direct Payments to Farmers (Legislative Continuity) Act 2020 (c.2) (the “2020 Act”).

The legislation that became domestic law on exit day included EU ‘horizontal’ rules that apply to a range of CAP schemes, so far as those rules related to that domestic law. EU legislation requires to be modified, or deficiency fixed, in order to be effective as domestic law. Legislation governing direct payments has been modified under the 2020 Act, and legislation governing rural development schemes is prospectively modified with effect from IP completion day under the 2018 Act.

It follows that there will be two versions of (for example) Regulation (EU) No 1306/2013: a ‘direct payments’ version as currently in force, and a ‘rural development’ version that will have effect from IP completion day. The changes in this instrument will only affect the horizontal legislation insofar as it does not apply to direct payments.

Regulations 2 and 3 make amendments to simplify, improve and ensure the effective functioning from 2021 of the Common Provisions Regulation and Commission Delegated Regulation (EU) No 240/2014. Regulations 2 and 3 also correct deficiencies in retained EU law arising as a result of EU exit.

Regulations 4 and 5 make amendments to simplify, improve and ensure the effective functioning from 2021 of the Rural Development Regulation and Commission Implementing Regulation (EU) No 808/2014 (the “Rural Development Implementing Regulation”). Regulation 5 also corrects a deficiency in retained EU law arising as a result of EU exit. Regulation 4(11) replaces Article 58 of the Rural Development Regulation to establish that the Scottish Ministers will determine the core contribution to rural development and outline the manner in which the core contribution is to be determined from 2021 onwards. The core contribution constitutes the domestic funding that will replace the funding previously provided by the European Agricultural Fund for Rural Development. Regulation 4(12) amends Article 59 of the Rural Development Regulation to ensure continued functionality of the rules on fund contribution for rural development from 2021 and improve the clarity of this Article. Regulation 5(3) inserts a new Article 13 into the Rural Development Implementing Regulation which replaces the information and publicity requirements that will be omitted on IP completion day by [S.I. 2019/770](#).

Regulation 6 simplifies and improves the Horizontal Regulation and regulation 7 corrects deficiencies in Regulation (EU) No 908/2014 (the “Horizontal Implementing Regulation”) arising as a result of EU exit. Regulations 6 and 7 amend the Horizontal Regulation and Horizontal Implementing Regulation insofar as they do not apply to direct payment schemes.

No business or regulatory impact assessment has been prepared in relation to these Regulations as no, or no significant, impact upon business, charities or voluntary bodies is foreseen.