

*Draft Regulations laid before Senedd Cymru under section 50(6) of the Agriculture (Wales) Act 2023, for approval by resolution of Senedd Cymru.*

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DRAFT WELSH STATUTORY  
INSTRUMENTS

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**2025 No. (W.)**

**AGRICULTURE, WALES**

**The Basic Payment Scheme  
(Tapering, Payment Entitlements  
and Closure) (Wales) Regulations  
2025**

**EXPLANATORY NOTE**

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

These Regulations amend assimilated law and other legislation in relation to the Basic Payment Scheme (“BPS”) established under Regulation (EU) No 1307/2013 (“the Direct Payments Regulation”). These Regulations give the Welsh Ministers the power to taper payments under the BPS from 1 January 2026 until the end of 2028 when the BPS will close. These Regulations are made by the Welsh Ministers under powers conferred by section 16(1) of the Agriculture (Wales) Act 2023.

Regulation 3 provides for the closure of the BPS on 31 December 2028 and lists legislation to be revoked upon closure of the scheme.

Regulation 4 amends the Direct Payments Regulation to allow the Welsh Ministers to taper payments under the BPS until its closure.

Regulation 5 amends the Direct Payments Regulation to change the way in which BPS payment entitlements can be transferred. Entitlements cannot be transferred unless each entitlement is transferred with an eligible hectare in the same transaction from the same transferor.

Regulation 6 amends assimilated law to prevent young farmers claiming Young Farmer Payment under the Direct Payments Regulation for the first time.

Regulations 7, 8 and 9 make provision to close the national and regional reserves, the effect of which

being that farmers are unable to obtain entitlements to use for claims under the BPS from those reserves.

Regulation 10 and 11 make additional amendments to assimilated law.

The Welsh Ministers' Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, a regulatory impact assessment has been prepared as to the likely costs and benefits of complying with these Regulations. A copy can be obtained from Welsh Government, Cathays Park, Cardiff, CF10 3NQ and is published on [www.gov.wales](http://www.gov.wales).

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**2025 No. (W. )**

**AGRICULTURE, WALES**

**The Basic Payment Scheme  
(Tapering, Payment Entitlements  
and Closure) (Wales) Regulations  
2025**

*Made*

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*Coming into force in accordance with  
regulation 1(2) and (3).*

The Welsh Ministers make the following Regulations in exercise of the powers conferred by section 16(1) of the Agriculture (Wales) Act 2023<sup>(1)</sup>.

In accordance with section 50(6) of that Act, a draft of these Regulations has been laid before, and approved by a resolution of, Senedd Cymru.

**Title, coming into force and application**

1.—(1) The title of these Regulations is the Basic Payment Scheme (Tapering, Payment Entitlements and Closure) (Wales) Regulations 2025.

(2) These Regulations come into force on 1 January 2026, subject to paragraph (3).

(3) Regulation 3(2) of, and the Schedule to, the Regulations come into force on 1 January 2029.

(4) These Regulations apply in relation to Wales.

**Interpretation**

2. In these Regulations—

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(1) 2023 asc 4.

“basic payment scheme” (*“cynllun y taliad sylfaenol”*) means the Basic Payment Scheme under the Direct Payments Regulation;

“the Direct Payments Regulation”(1) (*“y Rheoliad Taliadau Uniongyrchol”*) means 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.

### **Closure of the basic payment scheme**

3.—(1) The basic payment scheme will cease to exist at the end of 31 December 2028.

(2) The Schedule makes provision revoking legislation governing the basic payment scheme.

### **Tapering of payments under the basic payment scheme**

4.—(1) The Direct Payments Regulation is amended as follows.

(2) After Article 5A (the total ceiling for Wales), insert—

*“Article 5B*

#### **Tapering of payments under the basic payment scheme in Wales**

1. The Welsh Ministers may annually reduce payments under the basic payment scheme by such amounts as they consider appropriate.”

### **Transfer and use of entitlements**

5.—(1) The Direct Payments Regulation is amended as follows.

(2) In Article 34 (transfer of payment entitlements), after paragraph (1) insert—

“(1A) Transfer of payment entitlements, by any method, can only take place if it includes the transfer of an eligible hectare in the same transaction from the same transferor.”

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(1) EUR 2013/1307; Article 5A was inserted by S.I. 2020/1556 (W. 328); Article 22 was amended by S.I. 2020/91 and S.I. 2020/1556 (W. 328); Article 30 was amended by S.I. 2020/1556 (W. 328); Article 31 was amended by S.I. 2020/1556 (W. 328); Article 34 was amended by S.I. 2020/91 and S.I. 2020/1556 (W. 328) and S.I. 2025/82; there are other amendments that are not relevant to these Regulations.

### **Young farmer payment**

6.—(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 and amending Annex X to that Regulation<sup>(1)</sup>, is amended as follows.

(2) In Article 25 (transfer of entitlements)—

(a) in paragraph (1), after “at any time of the year” insert “providing that each entitlement is transferred with an eligible hectare”;

(b) after paragraph (2), insert—

“(3) For the purpose of this Article, “eligible hectare” has the meaning given in Article 32(2) of Regulation (EU) No 1307/2013.”

(3) In Article 49 (access of legal persons to the payment for young farmers), after paragraph (4) insert—

“(5) The annual payment for young farmers in Wales referred to in Article 50(1) of Regulation (EU) No 1307/2013 is only available to those young farmers who are already receiving such payment before 1 January 2026.”

### **Closure of the national and regional reserves in the Direct Payments Regulation**

7.—(1) The Direct Payments Regulation is amended as follows.

(2) Omit Article 30 (establishment and use of the national reserve or regional reserves).

(3) Omit Article 31 (replenishment of the national reserve or regional reserves).

### **Closure of the national and regional reserves in Commission Delegated Regulation (EU) No 639/2014**

8.—(1) Commission Delegated Regulation (EU) No 639/2014 is amended as follows.

(2) Omit Article 26 (reversion to the national or regional reserve due to retention on transfer of payment entitlements).

(3) Omit Article 28 (establishment of payment entitlements from the national or regional reserve

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(1) EUR 2014/639; Article 25 was amended by S.I. 2020/91; Article 26 was amended by S.I. 2020/91 and S.I. 2020/1556; Article 28 was amended by S.I. 2020/91; Article 29 was amended by S.I. 2020/91 and S.I. 2020/1556; Article 30 was amended by S.I. 2020/91 and S.I. 2020/1556; Article 49 was amended by EUR 2016/141, EUR 2017/1155, S.I. 2020/91, S.I. 2020/576 and S.I. 2020/1556 (W. 328).

under Article 30(6) of Regulation (EU) No 1307/2013).

(4) Omit Article 29 (establishment of payment entitlements from the national or regional reserve under Article 30(7) of Regulation (EU) No 1307/2013).

(5) Omit Article 30 (further rules on the establishment of payment entitlements from the national or regional reserve).

### **Closure of the national and regional reserves in the Common Agricultural Policy Basic Payment and Support Schemes (Wales) Regulations 2015**

**9.**—(1) The Common Agricultural Policy Basic Payment and Support Schemes (Wales) Regulations 2015<sup>(1)</sup> are amended as follows.

(2) Omit regulation 10 (basic payment scheme entitlements).

(3) Omit regulation 11 (transfer of entitlements).

(4) Omit regulation 18 (national reserve).

### **Additional amendments in the Direct Payments Regulation**

**10.**—(1) The Direct Payments Regulation is amended as follows.

(2) In Article 5A (the total ceiling for Wales)—

(a) in paragraph (1), for “must” substitute “may”;

(b) in paragraph (2)—

(i) for “must” substitute “may”, and

(ii) for “before the start of the relevant year” substitute “at any time before payments are made”;

(c) in paragraph (3), for “must” substitute “may”;

(d) in paragraph (4), for “, for any relevant year, must” substitute “may”;

(e) omit paragraph (5).

(3) In Article 22 (basic payment scheme ceiling)—

(a) in paragraph (2)—

(i) at the beginning insert “The Welsh Ministers may determine”, and

(ii) omit the words from “is the amount which” to the end;

(b) omit paragraph (4);

(c) omit paragraph (5).

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(1) S.I. 2015/1252 (W. 84), to which there are amendments not relevant to these Regulations.

**Additional amendments in the Commission  
Implementing Regulation (EU) No 809/2014**

**11.**—(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 as follows.

(2) Omit Article 22 (allocation or increase of the value of payment entitlements).

(3) In Article 23 (recovery of undue payment entitlements), for “revert to the national reserve or regional reserves referred to in Article 30 of Regulation (EU) No 1307/2013”, in both places it occurs, substitute “be adjusted accordingly”.

*Name*

Deputy First Minister and Cabinet Secretary for  
Climate Change and Rural Affairs, one of the Welsh  
Ministers

*Date*

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(1) EUR 2014/809; Article 23 was amended by S.I. 2019/765, S.I. 2020/90 and S.I. 2020/1513; there are other amendments that are not relevant to these Regulations.

# SCHEDULE Regulation 3

## Revocations

### PART 1

#### Revocation of legislation governing the basic payment scheme in Wales

1. Subject to the saving specified in Part 2, the instruments listed in column 1 of Table 1 and column 1 of Table 2 (which collectively established the rules for direct payments to farmers under support schemes within the framework of the common agricultural policy) are revoked, in relation to Wales only, to the extent specified in the corresponding entry in column 2 of each of those tables.

**Table 1**

#### **Revocation of specified assimilated law governing the basic payment scheme in Wales**

<i>Legislation to be revoked</i>	<i>Extent of revocation</i>
The Direct Payments Regulation.	The whole of the Regulation in so far as it applies in relation to Wales
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 and amending Annex X to that Regulation <sup>(1)</sup> .	The whole of the Regulation in so far as it applies in relation to Wales
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	The whole of the Regulation in so far as it applies in relation to Wales

<sup>(1)</sup>EUR 2014/639, to which there are amendments.



European Parliament and  
of the Council  
establishing rules for  
direct payments to  
farmers under support  
schemes within the  
framework of the  
common agricultural  
policy<sup>(1)</sup>.

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**Table 2**

**Revocation of specified domestic secondary  
legislation governing the basic payment scheme in  
Wales**

<i>Legislation to be revoked</i>	<i>Extent of revocation</i>
The Common Agricultural Policy Basic Payment Scheme (Provisional Payment Region Classification) (Wales) (Amendment) Regulations 2014 <sup>(2)</sup> .	The whole of the Regulations
The Common Agricultural Policy (Amendment) Regulations 2015 <sup>(3)</sup> .	The whole of the Regulations in so far as they apply in relation to Wales
The Common Agricultural Policy Basic Payment and Support Schemes (Wales) Regulations 2015 <sup>(4)</sup> .	The whole of the Regulations
The Common Agricultural Policy (Amendment) (No. 2) (Wales) Regulations 2016 <sup>(5)</sup> .	The whole of the Regulations
The Financing, Management and Monitoring of Direct Payments to Farmers (Amendment) Regulations 2020 <sup>(6)</sup> .	The whole of the Regulations in so far as they apply in relation to Wales
The Rules for Direct Payments to Farmers (Amendment) Regulations 2020 <sup>(7)</sup> .	The whole of the Regulations in so far as they apply in relation to Wales

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- (1) EUR 2014/641, to which there are amendments.  
(2) S.I. 2014/2367 (W. 230).  
(3) S.I. 2015/1325.  
(4) S.I. 2015/1252 (W. 84).  
(5) S.I. 2016/217 (W. 86).  
(6) S.I. 2020/90, to which there are amendments.  
(7) S.I. 2020/91.

The Direct Payments to Farmers (Amendment) Regulations 2020(1).	The whole of the Regulations in so far as they apply in relation to Wales
The Direct Payments Ceilings Regulations 2020(2).	The whole of the Regulations in so far as they apply in relation to Wales
The Common Agricultural Policy (Miscellaneous Amendments) (Wales) (EU Exit) Regulations 2019(3).	The whole of the Regulations
The Common Agricultural Policy (Direct Payments to Farmers) (Miscellaneous Amendments) (Wales) Regulations 2020(4).	The whole of the Regulations
The Direct Payments to Farmers (Crop Diversification Derogation) (Wales) Regulations 2020(5).	The whole of the Regulations
The Direct Payments to Farmers and Rural Affairs (Miscellaneous Amendments etc.) (Wales) (EU Exit) Regulations 2020(6).	The whole of the Regulations
The Common Agricultural Policy (Payments to Farmers) (Coronavirus) (Wales) Regulations 2020(7).	The whole of the Regulations

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## PART 2

### Savings

2. The provisions revoked by Part 1, notwithstanding that revocation, continue to have effect, in relation to Wales only, so far as is necessary for the purposes of finally determining any outstanding rights to, and liabilities arising in respect of applications for, direct payments under the basic payment scheme in Wales made in respect of a claim year ending on or before 31 December 2028.

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|-----|--------------------------|
| (1) | S.I. 2020/576.           |
| (2) | S.I. 2020/760.           |
| (3) | S.I. 2019/688 (W. 132).  |
| (4) | S.I. 2020/104 (W. 17).   |
| (5) | S.I. 2020/470 (W. 108).  |
| (6) | S.I. 2020/1556 (W. 328). |
| (7) | S.I. 2020/473 (W. 109).  |