COMMISSION DELEGATED REGULATION (EU) No …/..

of XXX

supplementing Regulation (EU) No [DPR] 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 [VIb] to that Regulation

CHAPTER I
SCOPE AND DEFINITIONS

Article 1
Scope

This Regulation lays down [To be completed at a later stage].

Article 2
Definitions (Article 4(2) DPR)

1. Framework within which Member States (MS) are to define the criteria to be met by farmers in order to fulfil the obligation to maintain the agricultural area in a state suitable for grazing or cultivation as referred to in Article 4(1)c of DPR.

2. Framework within which MS shall define the minimum activities to be carried out on areas naturally kept in a state suitable for grazing or cultivation.

3. Criteria to determine the predominance of grasses and other herbaceous forage and the criteria to determine the established local practices referred to in Article 4(1)(h) of DPR.
CHAPTER II
GENERAL PROVISIONS ON DIRECT PAYMENTS

Article 3
General principles

[To be completed at a later stage].

Article 4
Financial discipline (Article 8(3) DPR)

Rules on the basis for calculation of reductions to be applied by MS to farmers pursuant to Article 8(1) DPR, in order to ensure the correct application of the adjustments of direct payments with respect to financial discipline.

Article 5
Active farmer (Article 9(5) DPR)

1. Criteria for determining the cases where a farmer's agricultural area is to be considered to be mainly an area naturally kept in a state suitable for grazing or cultivation.

2. Criteria for establishing the distinction between receipts resulting from agricultural and non-agricultural activities;

3. Criteria for establishing the amount of direct payments referred to in paragraphs 2 and 4 of Article 9 DPR, in particular in the first year of allocation of payment entitlements where the value of the payment entitlements is not yet definitively established, as well as for new farmers.

4. Criteria that farmers are to meet in order to prove for the purposes of Article 9(2) and 9(3) DPR that their agricultural activities are not insignificant and that their principal business or company objects consists of exercising an agricultural activity.

CHAPTER III
BASIC PAYMENT

Article 6
BPS (Article 28 DPR)

1. Rules on eligibility and the access in respect of the basic payment scheme of farmers, in case of inheritance and anticipated inheritance, inheritance under a lease, change of
legal status or denomination, transfer of PE and in the case of merger or scission of the holding and in case of application of the contract clause referred to in Article 21(3) DPR.

2. Rules on the calculation of the value and number or on the increase or reduction in the value of payment entitlements in relation to the allocation of payment entitlements under any provision of Title III DPR, including rules:
   a. on the possibility of a provisional value and number or of a provisional increase of payment entitlements allocated on the basis of the application from the farmer,
   b. on the conditions for establishing the provisional and definitive value and number of the payment entitlements,
   c. on the cases where a sale or lease contract could affect the allocation of payment entitlements.

3. Rules on the establishment and calculation of the value and number of payment entitlements received from the national reserve or regional reserve.

4. Rules on the modification of the unit value of payment entitlements in the case of fractions of payment entitlements and in the case of transfer of payments entitlements referred to in Article 27(2b) DPR.

5. Criteria for applying options under points a, b and c of Article 21(1) DPR.

6. Criteria for applying limitations upon the number of PE to be allocated referred to in Article 21(2) DPR.

7. Criteria for the allocation of payment entitlements pursuant to Article 23(4) and (5) DPR.

8. Criteria for setting the reduction coefficient referred to in fifth sub-paragraph of Article 25(2) DPR.

9. Rules on the content of the declaration and the requirements for the activation of payment entitlements.

10. Rules making the granting of payments conditional upon the use of certified seeds of certain hemp varieties and laying down the procedure for the determination of hemp varieties referred to in Article 25(3) DPR.

*Article 7
Introduction of BPS in MS having applied the SAPS (Article 28e DPR)*
Further rules on the introduction of the BPS in MS having applied the SAPS.

*Article 8*

*SAPS (Article 28c DPR)*

Rules on eligibility and access in respect of the SAPS of farmers.

**CHAPTER IV**

**GREENING**

*Article 9*

*Payment for agricultural practices beneficial for the climate and the environment (Article 29(6) DPR)*

1. Establishment of appropriate requirements applicable to the national or regional certification schemes referred to in paragraph 1b(b) of Article 29 DPR including the level of assurance to be provided by those schemes.

2. Establishment of detailed rules for the calculation of the amount referred to in Article 29 paragraph 6 of Regulation (EU) [RDR] for the practices referred to in points 3 and 4 of Section I and point 7 of Section III of Annex VIa DPR, for which a specific calculation is needed in order to avoid double funding.

*Article 10*

*Crop diversification (Article 30 DPR)*

Rules concerning the application of the precise calculation of shares of different crops.

*Article 11*

*Permanent grassland (Article 31(3) and (4) DPR)*

1. Detailed rules on maintenance of permanent grassland, including:

   a) rules on reconversion in case of non-respect of the obligation in paragraph 1 of Article 31 DPR,
b) rules applying to Member States for setting up obligations at farm level for maintaining permanent grassland as referred to in paragraphs 2 and 2a of Article 31 DPR,

c) any adjustment of the reference ratio referred to in paragraph 2 of Article 31 DPR that may become necessary.

2. Definition of the framework within which the designations of further sensitive areas referred to in the second sub-paragraph of Article 31(1) DPR are to be made.

3. Establishment of detailed methods for the determination of the ratio of permanent grassland and of the total agricultural area that has to be maintained pursuant to Article 31(2) DPR.

4. Definition of the period in the past referred to in Article 31(2a) DPR.

Article 12
Ecological Focus area (Article 32(2) DPR)

1. Further criteria for the types of areas referred to in paragraph 1 of Article 32 DPR to qualify as ecological focus areas.

2. Rules for the establishment of the collective implementation referred to in paragraph 1ba and 1c of Article 32 DPR, including the minimum requirements of such implementation.

3. Establishment of the framework within which Member States shall define the criteria to be met by holdings to be considered to be in close proximity for the purposes of paragraph 1c of Article 32 DPR.

4. Establishment of the methods for determination of the ratio of forest to the total land surface area and the ratio of forest to agricultural land in paragraph 1d of Article 32 DPR.

CHAPTER V
PAYMENT FOR YOUNG FARMERS

Article 13
General rules (YFS) (Article 36(7) DPR)

Conditions under which a legal person may be considered eligible for receiving the payment referred to in Article 36(1) DPR.
CHAPTER VI
COUPLED SUPPORT

Article 14
Voluntary coupled support (Article 38(7) DPR)

1. Conditions for granting the support referred to in Chapter 1 of Title IV DPR.
2. Rules on consistency with other Union measures and on the cumulation of support.

Article 15
Crop specific payment for cotton (Article 43(3) DPR)

Rules and conditions for the authorisation of land and varieties for the purposes of the crop specific payment for cotton.

Article 16
Base areas, fixed yields and reference amounts for/of the crop specific payment for cotton (Article 44(5) DPR)

Rules on the conditions for the granting of the crop specific payment for cotton, on the eligibility requirements and on agronomic practices.

Article 17
Approved inter-branch organisations (Article 45(3) DPR)

1. Criteria for the approval of inter-branch organisations.
2. Obligations for producers.
3. Rules governing the situation where the approved inter-branch organisation does not satisfy those criteria.

CHAPTER VII
SMALL FARMERS SCHEME

Article 18
Special conditions (Article 50(5) DPR)

Conditions for participation in the scheme where the situation of the participating farmer changes.

CHAPTER VIII
AMENDMENTS

Article 19

Amendment of Regulation [DPR] (Article 32(2)(c) DPR)

Annex VIb to DPR is replaced by the following: […] (Adaptation of Annex VIb to DPR in order to establish the conversion and weighting factors referred to in paragraph 1a of Article 32 DPR and in order to take into account the criteria to be defined by the Commission under paragraph 2a of Article 32 DPR).

CHAPTER IX
FINAL PROVISIONS

Article 20

Notification requirements (Article 53(1) and (2) DPR)

1. Necessary measures regarding notifications to be made by Member States to the Commission for the purposes of DPR or for the purpose of checking, controlling, monitoring, evaluating and auditing direct payments and for complying with requirements laid down in international agreements, which have been concluded by a Council decision, including notification requirements under those agreements.

2. Further rules on:

   a. the nature and type of the information to be notified.
   b. the categories of data to be processed and maximum retention periods.
   c. the rules related to the access rights to the information or information systems made available.
   d. the conditions of publication of the information.

Article 21

Transitional rules (Article 58 DPR)

Necessary measures to protect any acquired rights and legitimate expectations of farmers.

Article 22

Repeal

Regulations (EC) No 1120/2009 and (EC) No 1121/2009 are repealed.
They shall continue to apply to aid applications relating to calendar years before calendar year 2015.

Article 23
Entry into force and application

This Regulation shall enter into force on the […] day following that of its publication in the Official Journal of the European Union.

It shall apply from 1 January 2015.

This Regulation shall be binding in its entirety and directly applicable in all Member States.
Done at Brussels,

For the Commission
The President
[...]