

LFASS land penalties ANNEX D

Discrepancies in areas claimed

We cannot pay LFASS on an area greater than the area you claim in your Single Application Form. If we find a greater area, we will base your payment on the area you claim.

If the eligible area we find for an LFASS crop group is less than the area you claimed in your Single Application Form, we will calculate your payment on the eligible area we found.

The LFASS crop groups are:

- More disadvantaged land (i.e. eligible land with grazing category A or B).
- Less disadvantaged land (i.e. eligible land with grazing category C or D).

Under-declaration penalties – Article 16 of 640/2014

You must declare all the permanent and seasonal land that you have on the 15 May in your Single Application Form, in the year that you are claiming LFASS for. If we find a difference between the total area you declare and the total land that you should have declared, we will reduce any payments due to you under LFASS.

If the area we find is more than the area you declare in your Single Application Form, we will reduce your payments as follows:

Difference

Up to 3%
More than 3% and up to 20%
More than 20% and up to 50%
More than 50%

Reduction

No reduction
1% reduction
2% reduction
3% reduction

Over declaration penalties LFASS 2015 – article 19 of EU Regulation 640/2014

These rules apply to LFASS 2015, in cases where the area of eligible land we find is less than the number of hectares you claimed for LFASS in your Single Application Form. If any ineligible land found was also claimed in earlier years, we may have to penalise these claims too and recover some or all of the payments we have made.

Where we find a difference between the number of hectares you claimed and the number of hectares we found for the crop group, we will apply the following penalties:

- If that difference is more than either three per cent or two hectares, but not more than 20 per cent of the eligible area found, we will reduce the eligible area found by twice the difference
- If that difference is more than 20 per cent of the eligible area found, we will not pay you LFASS for the crop group concerned
- If that difference is more than 50 per cent, we will not pay you LFASS for the crop group. In addition we will reduce any Rural Development payment due next year, or any payment covered by your Single Application Form, by an amount that is equal to difference between the area you claimed and the eligible area we found. If we cannot deduct this amount in full from your next year's payment, we will deduct the remainder from payments due in the following two years.

Over declaration penalties from LFASS 2016 – article 19a of EU Regulation 640/2014 (as amended by EU Regulation 2016/1393)

In May 2016, the EU introduced a less severe land over declaration penalty system to apply to LFASS claim years starting from 1 January 2016. These penalties will not exceed 100% of any payment amount based on the number of hectares you claimed for the crop group in question.

These rules apply in cases where the area of eligible land we find is less than the number of hectares you claimed for LFASS in your Single Application Form. As before, if any ineligible land found was also claimed in earlier years, we may have to penalise these claims too and recover some or all of the payments we have made. However, any over-declaration penalties applied to LFASS 2015, or earlier years, will be those described in the guidance relevant to the earlier LFASS claim years in question.

Where we find a difference between the number of hectares you claimed and the number of hectares we found for the crop group, we will apply the following penalties:

1. If that difference is more than either three per cent of the eligible area found or two hectares, we will reduce the eligible area found by 1.5 times the difference.
2. If in any year from 2016, no land over-declaration penalty has been incurred previously and that difference is:
 - more than either three per cent or two hectares; and
 - does not exceed 10 per cent of the eligible area found,

the penalty described in paragraph 1 will be halved. In these circumstances we will reduce the area found by 0.75 times the difference. Note: this is a one-off penalty “discount” for a first offence, that can only be applied for a small land over-declaration in a single year, from 2016.

3. If in any year we reduced your penalty as described in paragraph 2, and your LFASS claim the following year attracts a further land over-declaration penalty:
 - We will reduce your claim in the following year by the full penalty described for a crop group in paragraph 1
 - you will have to repay the “discount” amount by which the penalty was reduced for the previous year, under paragraph 2
 - If we cannot deduct any amount resulting from these penalties in full from your next year’s payment, we will deduct the remainder from payments due in the following two years”