

E: NationalBPSScheme@gov.scot

Business Reference Number (BRN):  
Main Location Code (MLC):

03 September 2018

Dear \_\_\_\_\_,

### **2018 National BPS Scheme**

#### **Please apply immediately if you wish to accept the offer of a loan**

You have submitted an application for a payment from the Common Agricultural Policy under the Basic Payment Scheme and Greening (CAP Basic Payment and Greening 2018). In response to the severe weather of 2018 the Scottish Government has established the 2018 National Basic Payment (NBPSS18) loan scheme. The scheme offers early access to financial support following months of adverse weather conditions. We encourage you to consider the offer no matter how small your payment maybe.

This letters explains how the scheme works.

Under the scheme you are entitled to receive a Sum of \_\_\_\_\_. If you have chosen to receive your CAP payments in Sterling, this will be converted to pounds prior to payment as, under EU legislation; the exchange rate for 2018 payments will be set at the end of September.

#### **How do I apply?**

This is an **opt-in scheme**, which means you need to apply for the loan if you wish to receive a payment. If you do not wish to receive a loan payment, you do not need to do anything.

Attached to this letter is a full copy of the terms of the loan. If you accept these terms and wish to receive a payment under NBPSS18, either:

- Complete and detach the opt-in part of this letter and send it to us in the pre-paid envelope provided.
- Or send an email to NationalBPSScheme@gov.scot clearly stating that you are responding to this NBPSS18 offer letter of \_\_\_\_\_ and that you formally accept the terms of the loan offered. We also require you to state the loan amount, your name, business name, Business Reference Number (BRN) and MLC (Main Location Code). If any of this information is missing we may have to come back to you, potentially delaying your payment.

## Who can apply?

It is your responsibility to ensure that whoever signs the opt-in form holds the relevant signing authority on behalf of the business. Our existing mandates do not extend to loans.

## Will I be charged fees and interest?

This is a nationally funded loan scheme, and provided you adhere to the terms, you will **not** be charged any interest.

## How is my loan amount calculated?

In most cases, loans have been calculated at 90% of your anticipated CAP Basic Payment and Greening 2018 payment, capped at a maximum of €150,000.

## How do I repay the loan?

The scheme has been designed so the sum you receive under NBPSS18 is less than the amount you should be due from CAP Basic Payment and Greening 2018 if your application is successful. In most cases, the sum will be automatically deducted from your CAP Basic Payment and Greening 2018 payment when it is fully processed and you should receive a balance payment. In accordance with the terms attached to this letter, in some circumstances, the Scottish Ministers may recover your loan from any CAP payments due to you whether this occurs pre or post Brexit.

In a small number of cases, we may find that you are entitled to less of a CAP Basic Payment and Greening 2018 payment than you will have received as a loan. In such cases, in accordance with the terms attached to this letter we will require the difference to be repaid. In a very small number of cases, we may find that you are not entitled to any payment, in which case you would be expected to repay in full the loan you have received.

If you repay within seven days of being notified, you will not be required to pay any interest on the loan. If you have any doubt as to the value of your application for CAP Basic Payment and Greening 2018, we would encourage you to contact your local RPID area office to discuss and explore the potential implications of applying for a loan.

## What is the closing date for applications?

To receive your payment without delay, please apply by . Applications received after this date will still be accepted but we cannot guarantee when payment will be made. A closing date will be announced in early 2019.

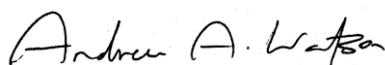
## What happens next after I apply?

We will send you a payment notification confirming the date your loan payment will be made. After your CAP Basic Payment and Greening 2018 payment has been processed, we will write again confirming the loan recovery and providing details of your State aid benefit for your records.

## Where do I find out more?

For a Q&A about the scheme and information about your existing applications, please visit [www.ruralpayments.org](http://www.ruralpayments.org) or your local area office.

Yours sincerely



## ANDREW A WATSON

Deputy Director for Agricultural Policy Implementation

## The terms:

- i) The Sum is a loan and will attract interest at the rate of 3.06%. Repayment of the Sum is due on the earlier of (a) the seventh day following the date you are notified that your final CAP Basic Payment and Greening 2018 payment has been made or, as the case may be, you are notified that no CAP Basic Payment and Greening 2018 payment is due; or (b) 27 June 2019. This interest will be borne by the Scottish Ministers (hereafter the “Scottish Government”) on your behalf and constitutes a State aid as described in paragraph (vii) below.
- ii) Interest on the Sum under paragraph (i) will be paid on your behalf by the Scottish Government if repayment is made in full on or before the due date set out above. If you retain the Sum, or any part of it, otherwise than in accordance with these terms you will be liable to pay the interest on the Sum in full.
- iii) In the event that the Sum, or any part of it, is not repaid on the due date mentioned above you will also be liable to pay interest on the Sum or any balance outstanding at the rate of 4.06% per annum until repayment is actually made.
- iv) We may at any time, and without further notice to you, set off any liability that you have to repay the Sum (together with any interest that may be due) against any liability that we may have to make any other payment to you however arising. Any exercise by us of the right under this clause shall be without prejudice to any other rights or remedies that we may have against you whether under this agreement or otherwise. For the avoidance of doubt, this right of set off may also be exercised by us against any liability that we may have to make a CAP payment to you.
- v) In the event that the full amount of the Sum is set off against a CAP payment due in relation to your current application no interest will be charged. If part of the Sum only is set off, interest on any outstanding balance will be due to be paid by you from the repayment date at the interest rate stated above.
- vi) No waiver by us of any of the terms set out in this letter or any of our rights or remedies will be effective unless given in writing and signed by us or on our behalf. No failure, forbearance or delay by us in enforcing any right that we may have against you will constitute a waiver of that or any other right or remedy nor will it preclude or restrict the further exercise of that right by us. No single or partial exercise of any right or remedy under this agreement or otherwise arising shall prevent any further exercise of the same right or remedy or of any other right or remedy however arising.
- vii) Interest paid on your behalf by the Scottish Government represents State aid to your farm business (under Regulation ‘EU’ 1408/2013). For every 12 months you hold on to the funds it will accrue £30.06 of State aid benefit for every £1000 of NBPSS18 payment. It is your responsibility to keep a record of all aid to your farm business under all schemes and to make sure that the combined total aid is less than the de minimis level of €15,000 (euros) in any fiscal year and the previous two fiscal years combined. In accepting the Sum you are declaring this limit will not be breached.
- viii) Your obligation to repay any monies due under this letter and its terms rank equally with or senior to all other debts or liabilities you may have.
- ix) The Scottish Government will be entitled to require immediate repayment of any monies due under this letter and its terms if you have provided false or inaccurate information in relation to your CAP Basic Payment and Greening 2018 application or the NBPSS18.

x) The Scottish Government will be entitled to require immediate repayment of any monies due under this letter and its terms if you or your agricultural business becomes insolvent, or otherwise unable to pay its debts, is made bankrupt or otherwise dissolved.

xi) The Scottish Government will be entitled to require immediate repayment of the Sum if it considers it is required to recover such sum in order to ensure compliance with its obligations under EU law, together with interest at such rate and on such basis as may be determined from time to time by the European Commission.

De minimis payment schemes include:

Crofting Cattle Improvement Scheme (Bull Hire Scheme)	Sea Eagle Scheme	Clyde and Avon Valley Tree Planting Scheme
Rural Priorities Outcome Plan	AECS Farm Environmental Assessment Payment	Dairy Farmer Island Concession Scheme
New Entrants and Others 2013	Weather Aid Scheme 2013	BVD Check Payments
Fallen Stock Fund	Fox Control Scheme	Biofuels Programme
Resource Efficient Scotland	Weather Impact Support Scheme for Westray Farmers	2015 Cash Flow Loan Scheme
2015 National LFASS Scheme	2016 National LFASS Scheme	2017 National LFASS Scheme
2015 National BPS Scheme	2016 National BPS Scheme	2017 National BPS Scheme

**Please complete all fields below, detach and return using the pre-paid envelope to:**

Agricultural Development, RPID, P1 Spur, Saughton House,  
Broomhouse Drive, Edinburgh EH11 3XD by

**2018 National BPS Scheme opt-in form**

The opt-in form must be signed by a person that holds the relevant signing authority on behalf of the business

Business Name:

Business Reference Number:

Main Location Code:

Print name \_\_\_\_\_ Relationship to business \_\_\_\_\_

By completing and signing this form I accept the terms of the 2018 National Basic Payment Scheme and declare I have not exceeded the de minimis State aid limit.

Signed \_\_\_\_\_ Date \_\_\_\_\_

**I declare that I hold the relevant signing authority for this business.**