

E: NLFASSScheme@gov.scot

«Business Name»

«Address1»

«Address2»

«Address3»

«Address4»

«Address5»

«Address6»

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

28 February 2018

Dear «Title» «Surname»,

2017 National LFASS 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 Less Favoured Area Support Scheme (LFASS) for 2017. Your application is currently being processed.

In order to provide financial security to farmers and crofters until full payment is made, the Scottish Government has established the 2017 National LFASS Scheme (NLFASS17). 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 «**£Amount**».

This is an **opt in scheme**, which means you need to apply for a 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.

How do you apply?

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 NLFASS 2017, 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 NationalLFASSScheme@gov.scot clearly stating that you are responding to this NLFASS17 offer letter of 28 February 2018 and that you formally

accept the terms of the scheme and 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 do I repay the loan?

The scheme has been designed so the sum you receive under NLFASSS17 is less than the amount you should be due from LFASS if your LFASS 2017 application is successful. The sum will be automatically deducted from your LFASS payment when it is fully processed and you should receive a balance payment. In accordance with the terms attached to this letter, the Scottish Ministers may recover your loan from any CAP payments due to you.

It is possible that in a small number of cases, we may find that you are entitled to less of an LFASS 2017 payment than you will have received as a loan. In such cases, we will also expect 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 still 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 LFASS 2017, 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 **30 March 2018** at the latest. Applications received after this date will still be accepted but we cannot guarantee when payment will be made. A closing date will be announced later this year.

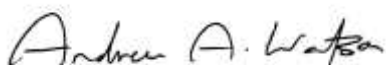
What happens next after I apply?

Once payment has been made we will send you a notification letter. After your LFASS 2017 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?

If you have any questions about this letter or need any more information, you can visit <https://www.ruralpayments.org/national-loan-schemes> or contact your local RPID 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 2.93%. Repayment of the Sum is due on the earlier of (a) the seventh day following the date you are notified that your final LFASS 2017 payment has been made or, as the case may be, you are notified that no LFASS 2017 payment is due; or (b) 31 December 2018. 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 3.93% 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 £29.30 of State aid benefit for every £1000 of NLFASSS17 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 LFASS 2017 application or the NLFASS2017.
- 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
- Rural Priorities Outcome Plan
- AECS Farm Environmental Assessment Payment
- New Entrants and Others 2013
- Weather Aid Scheme 2013
- BVD Check Payments
- Fallen Stock Fund
- Fox Control Scheme
- Biofuels Programme
- Resource Efficient Scotland
- Clyde and Avon Valley Tree Planting Scheme
- Dairy Farmer Island Concession Scheme
- Weather Impact Support Scheme for Westray Farmers
- Cash Flow Loan Scheme
- National LFASS Schemes 2015
- National LFASS Schemes 2016
- National BPS Schemes 2015
- National BPS Schemes 2016
- National BPS Schemes 2017

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 **30 March 2018**

2017 National LFASS 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 Name**»

Business Reference Number: «**BRN**»

Main Location Code: «**MLC**»

Print name _____ Relationship to business _____

By completing and signing this form I accept the terms of the 2017 National LFASS Scheme and declare I have not exceeded the de minimis State aid limit.

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

Date _____