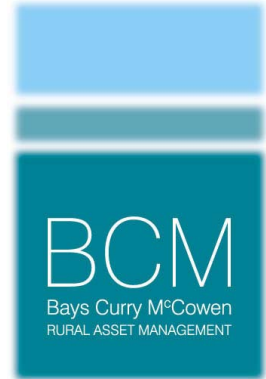


Press release

September 2006



Cross Compliance on sales - who is responsible?

As the volume of land traded since the inception of the Single Payment Scheme increases, further potential complications become apparent. Vendors and Purchasers should be aware precisely where their respective responsibilities for matters such as Cross Compliance begin and end. Otherwise there is significant scope to develop a "grey area" where neither party feels it is responsible for adhering to the relevant regulations.

Andrew Bays of Bays Curry McCowen (BCM), Rural Asset Management near Winchester, comments: "The key to this is obviously to agree the matter in full and in detail prior to exchange of contracts. As always with farm land transactions today, it is vital that all advisers are fully conversant with detailed workings of the Single Payment Scheme. It has become evident to us in some cases, where we have become involved after sales have exchanged, that this is not the case. Both parties need to be sure that they understand when their responsibilities begin and end, and appreciate that in many instances they may remain the claimant, even though the entitlements may have been transferred. Therefore, even though the Vendor may have exchanged on his or her sale, they may still remain responsible for matters such as filling in a Soil Protection Review."

" The Single Payment Scheme continues to throw up conundrums on the sale of land. The requirement for both parties to be farmers at the time of the transfer of entitlements is a

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particular case in point. However, there are solutions to these. Both parties to a sale just need to make sure they are being correctly advised and do not fall into any of the potential pitfalls."

For further information contact Andrew at BCM on 01962 763900 or by e mail at abays@bcm.co.uk

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