



Brexit Adjustment Reserve

## **Voluntary Permanent Cessation Scheme**

### GUIDELINES FOR APPLICANTS



Funded by the  
European Union

## Version Control

Version	Date	Change description
1.0	12 <sup>th</sup> Sept 2022	Initial version
2.0	22 <sup>nd</sup> Sept 2022	Extension of submission deadline

## INTRODUCTION

These Guidelines for Applicants for the Brexit Voluntary Permanent Cessation Scheme provide guidance on the assessment criteria and the application process for this scheme.

Applicants should also read the Conditions of Offer for grantees which set out the conditions of the awarding of grant-aid and the obligations for successful applicants in accepting the award. These are available to download from the scheme page of [www.bim.ie](http://www.bim.ie).

At all stages where a document is required to be completed and uploaded diagrams and images may be included where appropriate, but these must be saved as a PDF. Video files are not permitted.

These guidelines are divided into six sections:

1. Application Preparation
2. Scheme Description and Legal Basis
3. Completing the Electronic Grant Application Form
4. Evaluation and Award Process
5. Claim Process
6. Further Information

## **1. APPLICATION PREPARATION**

### **1.2 Submission Deadline**

The deadline for submission is close of business, 18th November 2022. The Grants Electronic Management System (GEMS) enables you to replace/ update the application at any time.

### **1.3 Acknowledgement of Receipt**

The date and time of the submission of the application will be automatically recorded and an acknowledgement of receipt email will be sent to the applicant organisation. If you do not receive an email with the acknowledgement of receipt, it is because the application has not been submitted. GEMS will carry out basic verification checks for completeness of the proposal, internal data consistency, virus infection file types and size limitations. Note that when you receive your acknowledgement of receipt email, no eligibility checks have yet been carried out.

### **1.4 Rejection of Applications**

You should upload the correct documents (in PDF format) under the corresponding category. Errors in this process that result in an incomplete proposal may jeopardize your entire application as it could be classified as inadmissible. Before closing the application procedure or logging off, double-check if the content of your PDF documents matches the given categories in the online submission tool. Once the application is submitted and acknowledgement sent, the applicant will not hear from BIM until the application has been evaluated, unless BIM needs to contact the applicant to clarify matters such as eligibility or to request additional information.

### **1.5 Project Duration**

It is a condition of this grant that the permanent scrapping of the vessel must be completed with all required documentation presented to BIM by 31<sup>st</sup> October 2023. This timeline is required to provide adequate time for BIM to process the grant claim before the legal deadline of the end of the Brexit Adjustment Reserve of the 31<sup>st</sup> December 2023. Any grant claims that are outstanding after the 31<sup>st</sup> October 2023 will be terminated.

### **1.6 Languages**

Applications may be submitted in English or Irish.

### **1.7 Data Protection**

All personal data that will be included in the applications submitted via the GEMS will be processed by BIM under the Data Protection Regulations and according to the procedure announced with the relevant notifications submitted to BIM's Data Protection Officer. A privacy statement informs all data subjects whose data are to be processed in the context of the application evaluation and ensuing grant agreement preparation, implementation and follow up. Applicants are invited to check BIM's webpage or log on to GEMS for any updates that may occur by the deadline for submission of their proposals.

#### **1.8.1 Scheme Terms and Conditions**

- To qualify for grant aid under this scheme the following terms and conditions must be met in all cases. Applicants should please note that these terms and conditions will apply to all applications. Applications that fail to comply with these terms and conditions will be deemed ineligible and will not be considered further.
- The onus of eligibility lies with the grantee, i.e. the grantee must ensure and demonstrate that they qualify under the scheme.
- The operative date for commencement of this scheme is 12<sup>th</sup> September 2022.
- The scheme is introduced here in its entirety, with the intention that it completed by 31 December 2023.

- Only 1 application may be made per vessel. If more than 1 application is submitted, all application forms will be returned to the applicant and excluded from further consideration.
- As the application will be made through the BIM on-line Grants Portal, BIM does not require a hard copy of the application. However, any original supporting documentation for all on-line applications, must be made available should it be requested at any stage by Officers of BIM and the Department of Agriculture, Food and the Marine or their agents.
- Applications must be completed in their entirety.
- Applications must be accompanied by the following:
  - A copy of the Fishing Licence.
  - A copy of the Certificate of Registry.
  - Written confirmation from any lenders and or mortgagees that they have been informed of the proposed decommissioning of the vessel.
  - Details of all charges registered (mortgages) against the vessel.
- Information submitted as part of every application will be verified using official records held by the Licencing Authority for Sea-fishing Vessels, the Sea Fisheries Protection Authority (SFPA), Bord Iascaigh Mhara (BIM) and Department of Agriculture, Fisheries & the Marine (DAFM). Official records will, in every case, be considered definitive.
- Any information provided that is inconsistent with the licensing conditions appropriate to the vessel in question and/or the management arrangements for any stock, will be discounted in their entirety for the purposes of this scheme.
- The closing date for all applications under this scheme is 10am, 24<sup>th</sup> October 2022.
- In the event of over-subscription to the scheme, taking account of the objective of the scheme to restore balance between fleet capacity and available quotas and given the availability of finance, applicants scoring the highest number of points following a selection process will be given priority in order of highest to lowest score.

## **1.9 Eligibility**

The scheme is open to licence holders of fishing vessels that:

- Are registered on the Irish sea-fishing boat register in the polyvalent or beam trawl segments and holding a valid sea-fishing boat license issued by the Licencing Authority for Sea-Fishing boats at the time the decision is taken to grant the withdrawal premium and which vessels are 10 years or more in age at the time of application, and
- Have carried out at least 90 days of fishing activity at sea per year either during 2020 and 2021 or during the calendar years 2018 and 2019.
- Vessels that were granted capacity under the 2001 Lost at Sea Scheme may also apply. However, as the capacity associated with such vessels is non-transferable and cannot not be sold or traded, applications from the owners of such vessels will be subject to special conditions regarding the level of payment.

### Eligibility Conditions

- The applicant must be the registered owner of the vessel to be withdrawn, i.e. a sole trader, a joint owner, company etc.
- The applicant must be in a position to comply with the relevant tax clearance procedures at the time of grant payment.
- The vessel to be withdrawn must, at the time of application, be registered on the Irish Register of Fishing boats in either the polyvalent or beam-trawl segment; must be in possession of a sea fishing boat licence, in the applicant's name; and be operational, that is compliant with all relevant legislation and capable of putting to sea. Vessels approved for permanent withdrawal must remain registered on the Irish Register of Fishing boats, in possession of a sea fishing boat

licence and operational up until the time of permanent withdrawal except in the circumstances indicated in the point below.

- Where a sea fishing boat licence expires after the date of application to the Scheme, but before the time of permanent withdrawal, applications will be accepted without prejudice for consideration on whether or not applicants will be required to renew their sea fishing boat license in order to be eligible for the scheme.
- The vessel to be withdrawn must be 10 years or more in age at the time of application. For the purpose of this scheme, the age of a vessel is a whole number defined as the difference between the year of the managing authority's decision to grant a premium or aid and the year of entry into service, defined in Regulation (EU) 2017/1130 as, the date of first issue of an official safety certificate, or, if an official safety certificate is not issued, the date of first entry in an official register of fishing vessels. In the case of fishing vessels which entered service before the date on which Regulation (EU) 2017/1130 come into force, the date of entry into service shall be the date of first entry in an official register of fishing vessels.
- Vessels that were granted capacity under the 2001 Lost at Sea Scheme may also apply.
- The applicant must not have increased the total capacity of fishing vessels in his/her ownership since 1 January 2021. BIM will verify this by checking the capacity of the applicant at three points:
  - 1 January 2021
  - Date of Application
  - Date of first payment under the scheme
- The applicant must undertake not to register any new fishing vessel, or increase the capacity of any other fishing vessel(s) in his/her ownership, for a five-year period following the receipt of support under this scheme.

#### **1.10 General Guidance before Drafting your Application**

Applicants are advised to consider the following aspects before submitting an application:

Completeness: Check that your application includes all the relevant information, as it will be evaluated only on the basis of the submitted content. Follow closely the format of the template of Part B and ensure that all the requested information is uploaded.

## 2. SCHEME DESCRIPTION AND LEGAL BASIS

### 2.1 Legal Basis and State Aid

Expenditure under this scheme will be under the Brexit Adjustment Reserve.

### 2.2 Scheme Objectives

The purpose of the scheme is to restore balance between fleet capacity and available quotas following the quota reductions arising from the Trade and Cooperation Agreement, ensuring the profitability of the fleet. The scheme aims to support fleet segment impacted by:

- A. The reduction in quotas for 2021 to 2026 arising from the Trade and Cooperation Agreement. The Scheme aims to mitigate losses associated with certain stocks included in Annex FISH.1 and FISH.2 of the TCA.
- B. Difficulties in accessing UK waters or third country waters due to Brexit.

The scheme will support vessels in the polyvalent and beam trawl segments to permanently cease all fishing activity, thus increasing the quota available for remaining vessels.

While vessels in the polyvalent and beam trawl fleets may fish quota species impacted by the TCA quota reductions and are thus negatively impacted by the TCA, the scheme will target applications by vessels most active in fishing such quota species as their voluntarily removal from the fleet will most contribute to restoring fleet balance and to increasing the amount of quota available to vessels remaining in the fleet. This aim will be pursued through the payment structure as detailed below.

### 2.3 Scheme Payments

Withdrawal premiums (decommissioning grants) will be paid in respect of applications approved and accepted at the following rates:

- a) BASIC PAYMENT: The scheme will provide to grantees a basic payment of €3,600 per GT.
- b) CATCH SUM: In addition to the basic decommissioning payment, the scheme provides a 'catch sum' of up to €8,400 per GT for quota species covered under the TCA calculated by indexing total vessel landings of quota stocks against the maximum total vessels' landings of quota stocks within each fleet segment.
- c) MAXIMUM ALLOWED RATE: In every case, the maximum rate of decommissioning thus calculated shall not, under any circumstances, exceed €12,000 per GT for qualifying vessels.
- d) AGE DEPRECIATION:
  - (i) For vessels aged between 15 and 30 years the total premium calculated is reduced by 1% per year over 15, in every case.
  - (ii) For vessels aged 30 years or more the total premium calculated is reduced by 15%.
- e) The FINAL RATE thus calculated is multiplied by the GTs of the vessel to obtain the final decommissioning premium

#### Deduction of Temporary Tie Up Payments

In accordance with the EU Brexit Adjustment Reserve State Aid Guidelines for the fishery and aquaculture sector, the amount of aid for permanent cessation related to Brexit will be reduced by the amount of temporary cessation support and the amount of income loss support received by operators either from the BAR or from other funds in the period between 1 January 2021 and the date of receiving the payment for the permanent cessation aid. In the case of temporary cessation, support provided directly to crew as part of these schemes will not be deducted from the permanent cessation aid payable to vessel owners.

## 2.4 Taxation

The relevant sections of the Finance Act may be found here: [Finance \(Covid-19 and Miscellaneous Provisions\) Act 2022 \(irishstatutebook.ie\)](#) . The Revenue Commissioners are preparing a Tax & Duty Manual on the subject and that it will issue shortly @ [Tax and Duty Manuals \(revenue.ie\)](#) and a link will be provided on BIM's website.

## 2.5 Application Assessment

- A. In the event of over-subscription to the scheme and given the availability of finance, applicants scoring the highest number of points following a selection process will be given priority in order of highest to lowest score.
- B. The selection process will award points as follows:

<b>Age of vessel</b>	<b>Score</b>
<b>Over 30</b>	20
<b>20-29</b>	10
<b>10-19</b>	5
<b>Size of Vessel</b>	<b>Score</b>
<b>Greater than 150GTs</b>	20
<b>100-150 GTs</b>	10
<b>50-100GTs</b>	5
<b>Average number of days fished during the two 12-month periods from 1st January 2018 to the 31 December 2019</b>	<b>Score</b>
<b>Greater than 180 days</b>	30
<b>150-179 days</b>	20
<b>120-149 days</b>	10
<b>90-119 days</b>	5
<b>Total landings of TCA stocks (by weight) as a percentage of total catch averaged over the two 12-month periods from 1st January 2018 to the 31 December 2019</b>	<b>Score</b>
<b>Over 80%</b>	80
<b>60-79%</b>	60
<b>40-59%</b>	40
<b>20-39%</b>	20
<b>Less than 20%</b>	0

- C. Following the closing date, applicants will be informed of the outcome within 4 weeks.
- D. An appeals mechanism shall be put in place to adjudicate on appeals from applicants about any decision made by BIM pursuant to this scheme.

### **3. COMPLETING THE ELECTRONIC GRANT APPLICATION FORM**

#### **1 AM I ELIGIBLE TO APPLY?**

A series of check boxes guides you through the eligibility criteria for the scheme. You need to be able to tick all boxes in order to proceed with an application.

#### **2 APPLICANT DETAILS**

##### **2.1 Authorised Contacts**

This information is required for us to process your information in line with Data Protection regulations.

##### **2.2 Applicant Details**

The applicant is the registered owner of the fishing vessel to be withdrawn, such as a sole trader, a joint owner, company as verified by the Fleet Register. Applicants should use a single name consistently throughout the application process. Any supporting documentation must be in the name of the applicant only. Documents that are not in the correct name will not be considered as part of the application and may result in an application being rejected.

#### **3 VESSEL DETAILS**

##### **3.1 Vessel Details**

Provide the details of the vessel which is to be decommissioned.

##### **3.2 Vessel Ownership**

Confirm that the applicant is the owner of the vessel, and provide the date of purchase.

##### **3.3 Joint Ownership**

For vessels with multiple owners, one vessel owner must apply on behalf of all owners. *Each* of the remaining owners must sign a Joint Vessel Ownership Authorisation Form. The applicant should download the template from GEMS, have the other owners sign the form, and then upload the signed forms.

##### **3.4 2001 Lost at Sea Scheme**

In the case of vessels that were granted capacity under the 2001 Lost at Sea Scheme and are eligible for decommissioning, the catch incentive premium part of the payment would only apply as the capacity for these vessels is non-transferable. These vessels are not eligible for the basic payment as set out in section 2.1 above.

##### **3.5 Mortgages/Loans/Charges on Vessel**

Provide the details of any mortgages, loans or charges against the vessel, and upload written confirmation from each lender/mortgagee that they have been informed of your intention to decommission the vessel.

##### **3.6 Sea-Fishing Boat Licence Details**

Provide the requested details from your sea-fishing boat licence, and upload a copy of the licence. The license must be in date at the time of application.

##### **3.7 Certificate of Registry**

Upload a copy of the Certificate of Registry relating to this vessel.

### 3.8 Crew Member Details

For the purposes of this scheme “crew” means anyone engaging in his/her main occupation on board an operational seagoing fishing vessel.

In this section you need to list the crew members who are eligible for compensation i.e. those who have worked at least 90 days at sea per year for each of 2020 and 2021 on the vessel to be decommissioned. In calculating the crew payment due, the vessel owner shall fully take into account the verified prior service of the individual on board other Irish registered fishing vessels.

The following rates are to be used to calculate crew payment rates up to a cap of €50,000 per crew member

Years of service	Payment
First 15 years	€1,000 per year up to a maximum of €15,000
15 + years	In addition to above, for each additional year in excess of 15 years, €1,400 per year, subject to the overall maximum payment below.
	Maximum payment per crew member €50,000

For each crew member you will need to upload a copy of their safety card, and a signed agreement agreeing the amount of compensation to be paid. The safety card does not have to be uploaded at the time of application but must be uploaded before the first payment can be made.

The template to be used for this agreement is provided as part of the online application form. The template should be downloaded, completed with each crew member, and then uploaded as a PDF document to the application form.

The payment to crew members shall be made by the vessel owner **by electronic bank transfer** to an account held in the name of the crew member. Proof of payment shall be submitted to BIM within 4 weeks of the initial scheme payment to the vessel owner. BIM will send you a link to an online form which you will need to use to upload evidence of the crew payments. The payment amounts must match the amounts in the signed agreements with crew members. Payments made to crew by any other means (cash; cheque; postal order) will not be accepted and will not be deemed as eligible payments for the purposes of the scheme.

## 4 BANK DETAILS AND TAX CLEARANCE

### 4.1 Tax Reference Details

Only applicants who are fully tax compliant will be eligible for grant aid. The appropriate Tax Clearance Access Number(s) must be supplied based on the type of applicant. If you do not have a Tax Clearance Access Number you must apply to the Revenue Commissioners for one in order to be eligible for the scheme.

### 4.2 Bank Account Details

Provide the details of the bank account to which grant payments should be made.

#### **4.3 Bank Statement**

Provide evidence of the bank account details in the form of a bank statement. Note that only the header information is required, and you can hide any transaction details. The bank statement should be for a period in the last 12 months.

#### **4.4 Further Documentation**

Some applications may require additional documentation, which might be requested when eligibility checks are carried out. If BIM has requested any such additional information from you, upload it here.

### **5 DECLARATIONS**

Applicants are required to check each of these declarations in order to submit the application. If the applicant cannot or is unwilling to check a box, the application will not be accepted.

## 4. EVALUATION AND AWARD PROCESS

The selection process will operate as follows:

<b>Step</b>	<b>Description</b>	<b>Responsible</b>
Call for proposals	BIM will invite applications from eligible fleet segments for decommissioning.	BIM
Eligibility Check and evaluation	To ensure compliance and eligibility.	BIM
Payment calculation	To establish the withdrawal premium payable	BIM
Selection and approval	Selection of applications for approval of withdrawal premium	BIM
Letter of offer	BIM will issue letters of offer to applicants and applicants will be required to formally accept the offer.*	BIM
Initial Payment	Applicants will receive an initial payment following acceptance of offer and confirmation of compliance with T&Cs	BIM
Final Payment	A final payment will be made following scrapping of the vessel and confirmation of compliance with T&Cs	BIM

\*Offers not accepted within 4 weeks will be rescinded. A reminder will be sent if a response is not received within 2 weeks, notifying the applicant that they only have two further weeks to accept the offer.

BIM advises all those who receive an offer of grant aid to seek legal and taxation advice on the implications of accepting that offer.

## 5. CLAIM PROCESS

BIM will validate certain information at 3 separate points in accordance with the scheme rules.

### 5.1 Initial 50% payment – pre-payment checks

Once you accept an offer of grant aid, BIM will issue an online form for you to complete pre-payment checks as follows:

- Confirmation that the vessel which is the subject of the grant has been removed from the fishing vessel register, and upload a closure certificate.
- Confirmation that any sea fishing boat licence in the name of the grantee and in respect of the vessel to be withdrawn has been surrendered.
- Confirmation that no mortgages or charges have been registered against the vessel subsequent to your application for grant aid being submitted. In the case that a mortgage or charge has been registered you will be asked to upload evidence that the mortgage providers have approved in writing the proposed decommissioning of the vessel.
- Confirmation that the vessel has not been lost since the letter of offer to grant a withdrawal premium was issued. If the vessel has been lost you will be asked to upload evidence of compensation which your insurers will pay.
- Confirmation that you continue to comply with the provisions of article 11 of the EMFAF Regulation (Regulation 2021/1139).
- In the case that you were not in a position to provide safety cards for all crew members as part of your application form, you will need to upload any remaining cards at this point. Payment will not be made until such time as safety cards are uploaded for all crew members, either as part of the application form, or in this pre-payment form.
- Signed declaration
- Confirmation that the applicants total capacity does not exceed total capacity at 1 January 2021
- Given the legal deadline of the end of the Brexit Adjustment Reserve of the 31<sup>st</sup> December 2023, we would encourage all grantees to engage with a supplier to complete the scrapping of their vessel as early as possible. At this point we would ask you to inform us of the supplier you intend to use and to let us know if you have already booked an appointment for the scrapping of your vessel.

BIM will also check the following:

- Is there any unamortised grant aid for capital items received within the last 5 years? If so you will be asked to repay this amount before the initial payment can be made under the Brexit Voluntary Permanent Cessation Scheme.
- Are any licence fees or harbour fees owed to the Department of Agriculture Food and the Marine and are any monies owed to BIM? If so these amounts will need to be settled before the initial payment can be made under this scheme.
- You meet all tax clearance requirements. This will be checked directly with the Revenue Commissioners.

Payment of the initial 50% will be made automatically into the nominated bank account given on the application form after the above conditions have been met, along with any special conditions listed in the letter of offer. BIM will endeavour to expedite payments in a timely manner.

## 5.2 Evidence of crew compensation

Once the initial 50% of the grant aid has been paid, BIM will issue another online form for you to complete. This must be done within 4 weeks of the initial payment.

On this form you will be asked to upload evidence of an EFT (Electronic Funds Transfer) payment to each crew member listed as eligible for compensation on your application form. Please note that:

- Payment **MUST** be made by EFT – proof of cheque/cash/postal order payments will not be accepted
- Payments must be to a bank account in the name of the crew member
- Payment amounts must match the compensation amount in the agreement signed with the crew member

You will also be asked to upload a signed declaration confirming that all crew members have been compensated.

At this point you will also need to have engaged a service provider to scrap your vessel. You will need to provide the name of that service provider, and the date agreed with them that scrapping will commence.

## 5.3 Final 50% payment – pre-payment checks

Once you complete the previous form with evidence of crew compensation, BIM will issue an online form for you to complete pre-payment checks for the final 50% payment as follows:

- Confirmation that the vessel has not been lost since the letter of offer to grant a withdrawal premium was issued. If the vessel has been lost you will be asked to upload evidence of compensation which your insurers will pay.
- Confirmation that you continue to comply with the provisions of article 11 of the EMFAF Regulation (Regulation 2021/1139).
- Signed declaration.

BIM will also check the following:

- Is there any unamortised grant aid for capital items received within the last 5 years? If so you will be asked to repay this amount before the initial payment can be made under the Brexit Voluntary Permanent Cessation Scheme.
- Are any licence fees or harbour fees owed to the Department of Agriculture Food and the Marine and are any monies owed to BIM? If so these amounts will need to be settled before the initial payment can be made under this scheme.
- Did the vessel receive a grant under any of the Brexit Temporary Tie-up Schemes? If so these grant amounts, net of the crew payments must be repaid.
- You meet all tax clearance requirements.
- The SFPA has confirmed that the vessel was not found to be engaged in fishing since it was removed from the register and licence surrendered.

Payment of the final 50% will be made automatically into the nominated bank account given on the application form after the above conditions have been met, along with any special conditions listed in the letter of offer. BIM will endeavour to expedite payments in a timely manner.



## 6. FURTHER INFORMATION

### Further Information/Clarifications

Requests for further information/clarifications should be addressed, preferably by **email**, to the contact details below. Where appropriate, responses to requests for further information/clarifications will be made available to all interested parties via [www.bim.ie](http://www.bim.ie).

CONTACT DETAILS
Bord Iascaigh Mhara Dun Laoghaire Co. Dublin <a href="mailto:deommissioning@bim.ie">deommissioning@bim.ie</a>