

SFS Regulatory Baseline - Payment Reduction Matrix 2026					Reductions for <u>Intentional</u> breaches			
Intent	Extent	Severity	Permanence	Reduction for 1st breach	Reduction for 1st repetition	Reduction for 2nd repetition	Reduction for 3rd repetition	Reduction for 4th repetition
Intentional	On-farm effect	Very low	Rectifiable	15%	25%	45%	70-100%	90-100%
			Permanent	20%	30%	60-100%	100%	100%
		Low	Rectifiable	20%	30%	60-100%	100%	100%
			Permanent	25%	40%	75-100%	100%	100%
		Medium	Rectifiable	30%	45-100%	90-100%	100%	100%
			Permanent	35%	55-100%	100%	100%	100%
		High	Rectifiable	40-100%	60-100%	100%	100%	100%
			Permanent	50-100%	75-100%	100%	100%	100%
	Off-farm effect	Very low	Rectifiable	20%	30%	60-100%	100%	100%
			Permanent	30%	45%	90-100%	100%	100%
		Low	Rectifiable	30%	45%	90-100%	100%	100%
			Permanent	40%	60%	100%	100%	100%
		Medium	Rectifiable	45%	70-100%	100%	100%	100%
			Permanent	55%	85-100%	100%	100%	100%
		High	Rectifiable	60-100%	90-100%	100%	100%	100%
			Permanent	75-100%	100%	100%	100%	100%

Intentional penalty matrix 2026





-where a range of penalty can be applied depending on the extent severity and permanence.



-Point where 100% of your payment will be lost.

SFS Regulatory Baseline - Payment Reduction Matrix 2026					Reductions for <u>negligent</u> breaches			
Intent	Extent	Severity	Permanence	% Reduction	Reduction for 1st repetition	Reduction for 2nd repetition	Reduction for 3rd repetition	Reduction for 4th repetition
Negligent	on-farm effect	Minimum	Rectifiable (Resolved)	Warning letter (0%)	N/A	N/A	N/A	N/A
		Minimum	Rectifiable (Unresolved)	1%	3%	9%	27% capped to 15%	81%
		Very Low	Permanent					
		Low	Rectifiable					
		Medium	Permanent	3%	9%	27% capped to 15%	81%	100%
			Rectifiable					
		High	Rectifiable	5%	15%	45%	100%	100%
			Permanent					
	off-farm effect	Very Low	Rectifiable	1%	3%	9%	27% capped to 15%	100%
			Permanent	3%	9%	27% capped to 15%	81%	100%
		Low	Rectifiable					
			Permanent					
		Medium	Rectifiable					
			Permanent					
		High	Rectifiable	5%	15%	45%	100%	100%
			Permanent					

Negligent penalty matrix 2026

-  -Point at which paying agency informs farmer that further non-compliances of the same standard will be regarded as intentional and penalised accordingly.
-  - where a breach will be treated as Intentional