

## **Succession Farm Partnerships – Terms and Conditions**

(These Terms and Conditions should be read in conjunction with Section 667 of the Taxes Consolidation Act)

### **General**

The 2016 Budget introduced a new initiative on 'Family Transfer Partnerships' to assist succession, referred to as the Succession Farm Partnership Scheme. This scheme provides a structure through which farmers and successors can enter into a partnership with an appropriate profit-sharing agreement, on the understanding that the farm would eventually transferred to the successor at the end of a specified period, not exceeding ten years.

To support this transfer, a tax credit of up to €5,000 per annum for five years, can be allocated to the partnership, once the family farm partnership is entered on the appropriate Succession Farm Partnership Register.

### **Requirements for entry on to the Succession Farm Partnership Register.**

The following are the requirements for entry on to the Register:

1. the farm partnership must firstly be entered on the Department's Register of Farm Partnerships and have an appropriate Farm Partnership Registration Number (FPRN);
2. the farm partnership shall have at least 2 members, each of whom shall be a natural person and at least one must not yet have reached 40 years of age.
3. at least one member of the farm partnership must have been engaged in the trade of farming on farm land owned or leased by that person, consisting of at least 3 hectares of useable farm land, for at least 2 years immediately preceding the date of formation of the partnership;
4. if only one member complies with point 3, then at least one other member of the farm partnership must have an appropriate qualification in agriculture as specified in the Regulations and hold an entitlement to at least 20 per cent of the profits of the partnership;

5. the farm partnership must apply for entry on to the Succession Farm Partnership Register by in writing;
6. the application letter must be accompanied by the following documents:
  - a 5 year Business Plan setting out the evolution of the partnership over that period of time;
  - a legally binding agreement showing the plans to transfer or sell (a minimum of 80%) the registered farm partnership's farm assets to one or more of the members under 40 years of age at a time during the period beginning 3 years after the date that the application is made and ending 10 years after the date that the application is made; and
  - documentary evidence that the relevant members are under 40 year of age at time of application.

*“The operation of this scheme is subject to the provisions of Commission Regulation (EU) No 702/2014 of 25 June 2014 and in particular Chapter III, Section 1 (Articles 18) which states that aid is for **Start-up for young farmers and the development of small farms.**”*