

Registration of Succession Farm Partnerships

Frequently Asked Questions

1. Do I need to be on the existing DAFM register of farm partnerships to form a Succession Farm Partnership?

Yes. It is necessary to have a current partnership on the DAFM register of Farm Partnerships to avail of the Succession Farm Partnership Scheme. Frequently asked questions on the DAFM register of Farm Partnerships can be found [here](#)

2. What are the benefits of being entered on the Register of Succession Farm Partnerships

In addition to the benefits of forming a partnership including preferential stock relief, the support of the collaborative farming grant and the fact that the Department ensure that the members of all registered partnerships are fully catered for in the implementation of CAP Schemes such as BPS, ANC, TAMS and GLAS, there are a number of other benefits specific to the entering a Succession Farm Partnership agreement.

These include a tax incentive to the partnership of €5,000 for up to five years during the Succession Agreement term until the identified successor(s) reaches the age of 40 (where there are multiple successors named the tax incentive ends when the eldest successor reaches 40.

Other benefits include the efficiencies gained from the certainty provided by having planned succession within the business. The scheme is designed to encourage the successor to become invested in the enterprise as early as possible to be fully ready to take over when the time is right.

3. If I form a Succession Farm Partnership, do I need to have a Will also?

Yes. It is very important to have a valid will which reflects your wishes in relation to how you want your estate to be passed on (i.e. it reflects your succession agreement) This is necessary because if the Farmer should pass away during the term of the Succession Partnership, the partnership is dissolved and the normal rules as per the Succession Act apply to the transfer of the estate.

4. What happens when the term of the Succession Partnership Agreement ends?

If the partnership is still active at the end of the term of the succession partnership agreement, the partnership will revert to the main Department register of farm partnerships and will operate under the rules for the main register.

5. When do I have to transfer my assets to my successor and what proportion must I give?

Under the terms of the scheme the farmer will still be required to transfer a minimum of 80% of all assets to the successor between 3 and 10 years over the term of the succession partnership agreement.

6. Can I name more than one successor under the scheme?

If the farmer wishes to name more than once successor they may under the terms of the scheme. It should be noted that the proportionate transfer of assets should be clearly outlined in the succession partnership agreement. The farmer will still be required to transfer a minimum of

80% of all assets to the named successors between 3 and 10 years over the term of the succession partnership agreement.

7. Can any of the parties to a Succession Farm Partnership be incorporated?

No. The agreement must be between the Farmer and Successor and both must be natural persons. Any incorporated members of your existing registered farm partnership cannot be party to the succession farm partnership agreement.

8. Are there financial supports available for setting up a Succession Farm Partnership?

When you are entering the register of farm partnerships, registered partnerships may apply for the collaborative farming grant under the rural development programme. Details can be found [here](#).

9. Is there a limit to the number of people who can be in a Registered Succession Farm Partnership?

As with a registered farm partnership, a succession farm partnership may not consist of more than ten partners, made up of Category (i) and Category (ii) partners and Category Other. The first partner must be Category (i), the second must be Category (i) or Category (ii). Third and subsequent partners may from any of the three categories.

10. Where can I find more information on the Succession Farm Partnership Scheme?

Additional information is available online at DAFM and Teagasc websites (include links) or through your farm advisor. To make an application, you should speak to your farm advisor in the first instance. It is also recommended that you take professional legal and financial advice before entering into a Succession Farm Partnership agreement.