

REQUIREMENTS FOR REGISTERING OF FARM PARTNERSHIPS

Important Note: (This document should be read in conjunction with the '*Relevant Extracts from the 2015 Finance Act*' link on this site)

A. ADMINISTRATION OF THE REGISTRATION PROCESS

1. The Department of Agriculture, Food and the Marine, maintains The Register of Farm Partnerships. Teagasc take a leadership role in the promotion of farm partnerships and in the training of industry professionals. Teagasc are also the primary agency responsible for the research and development of Farm Partnerships.

2. Definitions: (see Extracts from Finance Act)

B. FARM PARTNERSHIPS

1. A Farm Partnership shall consist of at least two people, one person from category (i) below and one or more person(s) from categories (i) or (ii):
 - (i) a person who has 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, and
 - (ii) A natural person with an appropriate agriculture qualifications® whose contribution to the farm partnership entitles him/her to at least 20% of the profit sharing arrangement; and who works in the farm partnership for at least 10 hours per week.

® See Department website for list of appropriate agriculture qualifications.

2. A person may not, at any one time, be a partner as a natural person and as a shareholder or director in a company that is a partner in the same Registered Farm Partnership. Similarly, at any one time a person may not be a shareholder or director in more than one company that are partners in the same Registered Farm Partnership.

3. The Department will assign a unique Farm Partnership Reference Number to each partnership. This number should be used as the scheme application number for all applications for Department of Agriculture, Food and the Marine support schemes. However it is important to note that, for animal

disease control and traceability reasons, the District Veterinary Office will continue to assign one or more herd numbers to the participants in the partnership.

C. APPLICATION FOR REGISTRATION AS A FARM PARTNERSHIP

1. Applications for registration should be sent to the Farm Partnership Registration Office, Department of Agriculture, Food and the Marine, Floor 3C Agriculture House, Kildare Street, Dublin 2.
2. The following items should accompany all applications:
 - (i) a copy of a legally binding written Farm Partnership Agreement which shall be in accordance with the specimen farm partnership agreement as developed by Teagasc. The Farm Partnership Agreement should contain, as a minimum, the following information:
 - i. the name and tax reference number of the Farm Partnership as registered with the Revenue Commissioners;
 - ii. the address at which the Farm Partnership records, books and other documents are to be retained;
 - iii. the name, addresses and herd numbers of all the partners in the Farm Partnership;
 - iv. the PPS Number of each partner, (Company Tax Number for incorporated partners);
 - v. the commencement date of the Farm Partnership;
 - vi. the profit sharing ratio;
 - vii. the details of each parcel of land being included in the partnership
 - viii. the term of the Partnership Agreement;
 - ix. clear dissolution procedures for either (a) exiting the Partnership; or (b) withdrawal of registration; and
 - x. clear procedures in the event of the death of one or more of the partners.
 - (ii) File Plans and Copy Folios of each applicant's agricultural holding, showing proof of ownership or proof of leasing, and clearly identifying the production units to be made available to, or excluded from, the partnership, and a copy of leases (stamped where appropriate) for all leased lands;
 - (iii) Evidence from a financial institution stating the account through which all Partnership transactions will be carried out; and
 - (iv) Evidence of agriculture qualifications where required.

D. CONDITIONS OF REGISTRATION

1. The partnership agreement must cover a minimum term of five years. However, an application may be made to the Department, in cases of *force majeure* or other duly justified cases, for an exemption from the minimum term.
2. Subject to the exceptions set out in the *Extracts of the 2015 Finance Act*, all parties to this farm partnership agreement must submit all of their agricultural holdings and farming assets in to the farm

partnership; and those additional agricultural holdings and assets acquired during the period of the partnership agreement.

4. A person may not be involved, either as a Category (i) or (ii) partner, in more than one Registered Farm Partnership at any one time.
5. A farm partnership may not consist of more than 10 partners through a combination of categories (i) and (ii) personnel.
6. All agricultural payments accruing from the State must be paid to the farm partnership's bank account.

E. OPERATION and COMPLIANCE

1. Every five years the Partnership shall apply to the Minister for a certificate of registration, effective from the expiry of the previous certificate.
2. The Minister must be notified within 21 calendar days of any intended alteration to the Partnership Agreement, including changes to the area of land; the legal status of the partners; or changes to the profit sharing ratio.
3. An amended Farm Partnership Agreement must be submitted, with the changes included.
4. The partners in the Partnership agree that no liability shall attach to the Minister arising out of the registration of the partnership, or from any provisions contained in the Partnership Agreement.

F. CO-OWNERSHIP OF AGRICULTURAL LANDS FORMING PART OF A FARM PARTNERSHIP

1. Where a proposed partner in a Registered Farm Partnership is a co-owner of a holding, an exemption should be obtained from the Minister by the co-owners who do not wish to be partners in the Farm Partnership. (This provision does not apply to commonages shareholders.)

G. DISTANCE BETWEEN PARTNERSHIP MEMBERS

A Registered Farm Partnerships cannot be formed between two or more holdings if any of the parcels of land in an individual holding are greater than 75 kilometres apart (This provision does not apply to commonage land.)

H. CERTIFICATES OF REGISTRATION

1. Where the Department is satisfied that it is appropriate to place a farm partnership on the Register it shall issue a Certificate of Registration, which will contain the assigned Farm Partnership Registration Number to be used for payment applications.
2. A Certificate of Registration will be granted for a maximum period of five years subject to no changes occurring in the original agreement;
3. The Certificate of Registration will be issued to the registered address of the Partnership;
4. A Registered Farm Partnership may not benefit from State or EU supports provided for such partnerships until a Certificate of Registration has been issued by the Department;
5. Where a Registered Farm Partnership is removed from the Register a copy of the Notice of Removal will be sent to all of the partners involved.

I COMPLIANCE CHECK

1. Each Registered Farm Partnership will be required to submit a copy of their Form 1 (Firms) Partnership Tax Return on an annual basis. This form, which indicates that the Partnership continues to be in existence, also indicates the distribution of profits. This distribution will be checked to ensure that it complies with the profit sharing ratio as set out in the Farm Partnership Agreement submitted to the Department.
2. In addition each Registered farm partnership may be selected for inspection as part of the Department's overall compliance verification programme.

Department of Agriculture, Food and the Marine

March 2016.