



Rural Payments  
Agency

# Guidance for Business Questionnaires (IACS 27)

Integrated Administration and  
Control System (IACS)

May 2016

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## **About the Integrated Administration and Control System (IACS)**

The Integrated Administration and Control System (IACS) applies to the Basic Payment Scheme and the Rural Development Programme schemes.

IACS sets out the rules we must follow to make sure we have the information we need to manage our schemes under EU rules.

Under the IACS rules, if you have 2 or more farming businesses, we may have to treat them as a single farming business. This is the case even if you treat them as 2 businesses for other purposes, such as for national tax.

You need to tell us how your business is structured as this may affect any applications you make for these schemes. You must tell us as soon as possible about any changes to the structure and status of the business.

For examples of how we assess business structures, read Annex A.

### **Transferring BPS entitlements**

If you hold BPS entitlements and you are merging 2 or more businesses, splitting your business or being given a new Single Business Identifier (SBI), we will not automatically transfer the entitlements to the new business.

If you think your entitlements will be affected by the changes to your business, you can use the Rural Payments service to transfer entitlements by sale, gift or lease. To find out how to do this, read 'How to claim BPS online' on [www.gov.uk/guidance/bps-2016](http://www.gov.uk/guidance/bps-2016).

To transfer entitlements by sub-lease or inheritance, or to give up entitlements, you need to fill in a Rural Land and Entitlements form (RLE1 form) and send it to us together with this form. You can print an RLE1 form and guidance from [www.gov.uk/government/publications/tell-the-rural-payments-agency-about-land-changes-and-entitlement-transfers](http://www.gov.uk/government/publications/tell-the-rural-payments-agency-about-land-changes-and-entitlement-transfers).

If businesses are merging, each original business must transfer their entitlements.

## **About the New Business Questionnaire (IACS 27)**

### **When to use the new business questionnaire**

You should use it to tell us if you are changing a business currently registered on the Rural Payments service, for example:

- changing the business structure
- adding to an existing business
- splitting an existing business into 2 or more businesses
- merging 2 or more businesses
- a partner has joined or left the business

If you would like to change your business name but there are no structural changes to your business, or you are not currently registered with us and you would like to register a new business, you can do this on the Rural Payments service:

[www.ruralpayments.service.gov.uk](http://www.ruralpayments.service.gov.uk)

### **What we will do**

We will use the information you provide to determine whether your business can continue under your current SBI, or if we need to give you a new one.

If you have given us all the information we need, we will process your form and make any necessary changes to the Rural Payments service. We will normally do this within 15 working days.

If your form is missing information or you have not sent us the supporting documents we need, we will not be able to process it. We will send the form back to you and tell you what you need to do next. We will normally do this within 15 working days.

If you send your supporting documents to us by Recorded Signed For™ delivery we will return them to you by the same delivery method.

## **How to fill in your New Business Questionnaire (IACS 27)**

If you need help, call the Rural Payments helpline on 03000 200 301.

Fill in all relevant parts of the form.

Follow the guidance when filling in the form.

You may need to use separate sheets of paper if there is not enough space on the form. Please make sure you give the question number that the separate sheet relates to. After you have answered all the relevant questions, use page 4 to tell us the total number of sheets you have used.

### **Who can sign the form**

A legally responsible person must sign at page 4 on the form. This is someone who has control of the business in terms of management, benefits and financial risks. If a court order exists, a certified copy must be sent to us with your form. In the case of a death, please send a death certificate with your form, if we have not already received a copy.

### **What supporting documents to send**

If a limited company is being formed, please send us the Companies House number.

In the case of inheritance, please send us evidence of the date the estate was settled.

Send only original or certified copies of all relevant legal documents to us. Examples of these include a court order, grant of probate, power of attorney, or share farming agreement.

For all other supporting documents, we can accept either original documents or photocopies (examples of these include invoices, accounts and tax returns.)

You may be asked to fill in a Separate Business Questionnaire (IACS 26) which you can download and print here:

[www.gov.uk/guidance/change-the-details-youve-registered-with-the-rpa](http://www.gov.uk/guidance/change-the-details-youve-registered-with-the-rpa)

If you are asked to fill in an RLE1 form you can download and print it here:

[www.gov.uk/government/publications/tell-the-rural-payments-agency-about-land-changes-and-entitlement-transfers](http://www.gov.uk/government/publications/tell-the-rural-payments-agency-about-land-changes-and-entitlement-transfers)

Send your completed form together with all supporting documents to:

Rural Payments  
PO Box 352 Worksop  
S80 9FG

## **Question 1 – Business details**

1(a) Give the main business name currently registered with us. If you are creating a new business give the name you want to register.

1(b) Give the main address (including postcode) currently registered with us, or the main address of the new business.

1(c) Fill in the Single Business Identifier (SBI) if you already have one.

1(d) Fill in your main County/Parish/Holding (CPH) number.

1(e) If you have other holdings, fill in their CPH numbers.

## **Question 2 – Trading status**

Tell us the new trading status of your business, for example:

- a sole trader
- a partnership
- a limited company
- a trust
- a statutory body

## **Question 3 – Formation of the business**

3(a) Fill in either the date when the new business was formed, or the date when the change was made to the business.

3(b) Put a tick in the 'Yes' or 'No' box to tell us if there has been a change to the ownership of the existing business.

If there has been a complete change to the ownership of the business answer 'Yes'. If any part of the ownership of the previous business is continuing, answer 'No' and continue to question 4.

3(c) Put a tick in the 'Yes' or 'No' box to tell us if you or any other legally responsible person in the business has an interest in any other farming business.

If you answer 'Yes', you should fill in a Separate Business Questionnaire (IACS 26) and send it to us together with this form and all relevant supporting documents.

If you answer 'Yes' to question 3(b), and 'No' to question 3(c) a legally responsible person for the business should sign and fill in the declaration at page 4, then you should send the form to us.

If you answer 'Yes' to question 3(b), and 'Yes' to question 3(c) continue to question 3(d).

3(d) Put a tick in the 'Yes' or 'No' box to tell us if you are splitting an existing farming business. If you answer 'Yes', a legally responsible person for the business should sign and fill in the declaration at page 4. You should send the form to us together with a completed Separate Business Questionnaire (IACS 26). You may also need to fill in a Rural Land and Entitlements form (RLE 1 form).

3(e) If your answer to questions 3(b), (c) and (d) is 'No', tell us how you have acquired the new business.

#### **Question 4 – Basic information about the new business arrangements**

4(a) Put a tick in the 'Yes' or 'No' box to tell us if the majority of the agricultural land on the holding before the change is still included after the change.

If you answer 'No', a legally responsible person for the business should sign and fill in the declaration at page 4. You should send the form to us together with a completed Separate Business Questionnaire (IACS 26).

4(b) Put a tick in the 'Yes' or 'No' box to tell us if at least one of the previous owners is still involved in the business after the change. For example, if a partner is joining or leaving the business you should answer 'Yes', or in a case of inheritance following the death of a sole trader you should answer 'No'.

If you answer 'No', a legally responsible person for the business should sign and fill in the declaration at page 4, then you should send the form to us. If you have an interest in another farming business also fill in a Separate Business Questionnaire (IACS 26) and send it to us.

4(c) Put a tick in the 'Yes' or 'No' box to tell us if the business has become a trust.

If you answer 'Yes' please give us any more information that you think may help us with our assessment.

#### **Question 5 – Primary reason for formation**

Fill in all relevant parts of question 5(a) to (g). At least one answer must be 'Yes', and you must give more information in the appropriate box.

5(a) Put a tick in the 'Yes' or 'No' box to tell us if a new partner has joined the business. If you answer 'Yes' you need to tell us the names of everyone with an interest in the business both before and after the change. Include their positions and responsibilities in the business, for example, manager, and their percentage stake in the business.

5(b) Put a tick in the 'Yes' or 'No' box to tell us if any partners are leaving or have left the business. If you answer 'Yes', we need exactly the same information we have asked for in

question 5(a). Also anyone leaving the business must sign in this box on the form or on a supporting document.

5(c) Put a tick in the 'Yes' or 'No' box to tell us if a limited company has been formed. If you answer 'Yes', you will need to give the Companies House number.

5(d) Put a tick in the 'Yes' or 'No' box to tell us if a sole trader has entered into a partnership. If you answer 'Yes', give details of all partners and their percentage stake in the business (if you have not already told us at question 5(a)).

5(e) Put a tick in the 'Yes' or 'No' box to tell us if a partnership has been dissolved. If you answer 'Yes' you need to give details of all former partners and the percentage stakes they held.

5(f) Put a tick in the 'Yes' or 'No' box to tell us if there are changes to the company, for example, dissolution or splitting.

You should also put a tick in the relevant 'Yes' or 'No' box to tell us whether the majority shareholder(s) in the company before dissolution:

- are to continue the business; or
- are to continue to control the company or partnership which is to continue the business.

If you answer 'Yes' to 5(f)(i) or 5(f)(ii) you need to give us any more information you think may help us with our assessment.

5(g) Put a tick in the 'Yes' or 'No' box to tell us if the only change is to the business name. If you answer 'Yes' you will need to give more information about the business name change.

### **Declaration**

A legally responsible person for the business must sign, date, and give their name and status in this section.

## **How to contact us**

You can call the Rural Payment helpline, which is open from 8.30am to 5.00pm, Monday to Friday.

We will ask you for your Single Business Identifier (SBI) when you call. If you write to us, please give us your SBI, customer reference number (CRN) (if known) and business name.

A text type service is available if you have a hearing impairment, dial 180001 03000 200 301.

Rural Payments helpline: 03000 200 301

Email: [ruralpayments@defra.gsi.gov.uk](mailto:ruralpayments@defra.gsi.gov.uk)

Send your completed forms and supporting documents to:

Rural Payments  
PO Box 352  
Worksop  
S80 9FG

For more information visit our website at [www.gov.uk/rpa](http://www.gov.uk/rpa).

## **Data protection**

Defra is the data controller for personal data you give to us or we hold about you. We use it in line with the Data Protection Act. For more information visit our website at [www.gov.uk/rpa](http://www.gov.uk/rpa), choose 'Contact RPA' and click on 'Personal information charter'.

## **Annex A: Single or separate and new or continuing assessment examples**

The following cases are examples only and are not based on any real life people or businesses. Your case may have a different outcome.

### **Single or separate businesses**

When we assess whether a farming business is a single or separate business under IACS rules we take into account the business structure and if the business or any business members have an interest in any other farming business. Who is farming the land and applying for payment is part of our assessment, but where the land is, or who owns the land is not.

Other factors such as the percentage shareholding, who has ultimate responsibility for long-term and, or day-to-day decisions and transactions between the businesses are also part of our assessment.

The following examples explain how shareholdings can affect the final outcome. (These examples do not take into account who has responsibility for long-term and, or day-to-day decisions which may also affect the outcome.)

#### **Example 1**

##### **Willow Farm (3 partners) SBI 333888777**

The business rears livestock and grows some forage crops.

Tim Newark lives with his wife Mandy, at Willow Farmhouse, New Lane, Anytown, XX1 1XX where all the Willow Farm business records are maintained by Mandy Newark. The business has land close to the farm buildings and also has grazing rights on Sieve Common, 14 miles away.

Partnership status and percentage shareholding:

Tim Newark	partner	50%
Martin Newark	partner	20%
Fiona Newark	partner	30%
Mandy Newark	secretary	0%

- Members of this business are also involved in 2 other farming businesses: M & F Dairy Enterprise (partnership), and Tasty Tamworths (sole owner), both at Ghyll House Farm

Martin and Fiona Newark are married and live with their daughter Katie, at Ghyll House Farm, Old Lane, A village, XX1 2XX. This farm is 16 miles away from Willow Farmhouse

and 12 miles from Sieve Common. Fields close to the farmhouse are used for animal grazing and crop production by the Willow Farm business.

A further two fields are used exclusively by Martin Newark for Tamworth pigs.

Other fields are used exclusively by M & F Dairy Enterprise to rear Fiona and Martin's herd of Jersey cows.

### **M & F Dairy Enterprise (2 partners) SBI 777444222**

Partnership status, and percentage shareholding:

Martin Newark	partner	50%
Fiona Newark	partner	50%
Katie Newark	employee	0% (works part-time for her parents and also at a neighbouring farm).

### **Tasty Tamworths (sole trader) SBI 333999666**

Partnership status, and percentage shareholding:

Martin Newark	sole trader	100%
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### **Assessment**

As there are common partners (Martin and Fiona) in these businesses, we have to assess whether all of the businesses they have an interest in, are separate under IACS rules.

As neither Martin nor Fiona (total of 50% in Willow Farm and 50% each in M & F Dairy Enterprise) have a majority shareholding in Willow Farm, we will assess these as separate businesses under IACS rules.

However, other factors we take into account such as, who has responsibility for long-term and, or day-to-day decisions, may also affect whether these are a single or separate business.

## Example 2

Different percentage shareholdings

### **Willow Farm (3 partners) SBI 333888777**

Partnership status and percentage shareholding:

Tim Newark	partner	34%
Martin Newark	partner	33%
Fiona Newark	partner	33%
Mandy Newark	secretary	0%

### **M & F Dairy Enterprise (2 partners) SBI 777444222**

Partnership status and percentage shareholding:

Martin Newark	partner	50%
Fiona Newark	partner	50%
Katie Newark	employee	0%

### **Tasty Tamworths (sole trader) SBI 333999666**

Partnership status and percentage shareholding:

Martin Newark	sole trader	100%
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## **Assessment**

Martin and Fiona now have a majority shareholding in Willow Farm (66%) and 100% in M & F Dairy Enterprise, we will assess these as a single business.

As Fiona has no shareholding in Tasty Tamworths, this remains a separate business.

### **Example 3**

Different percentage shareholdings.

#### **Willow Farm (3 partners) SBI 333888777**

Partnership status and percentage shareholding:

Tim Newark partner 10%

Martin Newark partner 70%

Fiona Newark partner 20%

Mandy Newark secretary 0%

#### **M & F Dairy Enterprise (2 partners) SBI 777444222**

Partnership status percentage shareholding:

Martin Newark partner 70%

Fiona Newark partner 30%

Katie Newark employee 0%

#### **Tasty Tamworths (sole trader) SBI 333999666**

Partnership status and percentage shareholding:

Martin Newark sole trader 100%

### **Assessment**

Although Martin and Fiona have a majority shareholding in Willow Farm (90%), Martin also has the majority shareholding in both Willow Farm (70%) and M & F Dairy Enterprise (70%). In example 2 we still assess these as a single business.

However, as Martin has the majority shareholding in both businesses this now affects his own business, Tasty Tamworths. Because he has the majority or total shareholding in all three businesses we now assess all these as a single business under IACS rules.

### **New or continuing businesses**

Where there has been a change to the status or structure (depending on what that change is), and none of the members have an interest in another farming business, we will assess the business as a new or continuing business.

For example:

Original status	Change	Outcome
Sole trader	Death of a sole owner Death of a new owner	New business requires a new SBI.
	Partner joining	Continuing business – keeps existing SBI.
Partnership	Death of a partner A partner leaving A new partner joining	Continuing business – keeps existing SBI.
Two or more businesses merging		May keep one of the existing SBIs depending on the terms of the merger and the areas of land involved. The entitlements must be transferred to that SBI using one or more RLE 1s.
A business has split into two or more businesses		If at least one of the original business members remains in one of the businesses and has the majority of the land, in most cases that business will be a continuing business and will keep the original SBI. We will give new SBIs to the other businesses and will assess them as new businesses. Where there is an equal split we may assess each as a new business and give each a new SBI. For any entitlements that are being transferred to a new business fill in an RLE 1.
Sale of a business	The new owner does not have an interest in another farming business.	We will assess this as a new business and give it a new SBI. The previous owner must fill in an RLE 1.
	The new owner already has an interest in another farming business.	We will carry out an assessment in the same way as in the single or separate business examples.

