

# Guidance on the ‘Accountant or Solicitor Certificate to confirm new or young farmer status’

## What this guidance is for

This guidance relates to applications in 2015 for new entitlements for new or young farmers for the Basic Payment Scheme (BPS) (these entitlements are allocated from the BPS ‘national reserve’) or for the young farmer payment. For both new entitlements and the young farmer payment, claimants must support their application with evidence, as detailed below, which demonstrates their eligibility.

New farmers need to show that:

- they are at least 18 years old when they make their 2015 BPS application;
- they are in ‘control’ of the agricultural business that is applying for BPS. (This can be as a sole trader);
- their business started its agricultural activity in 2013 or later; and
- they didn’t carry out (or weren’t ‘in control of carrying out’) any farming in the 5 years before their business started its agricultural activity.

New farmers must apply for BPS entitlements no later than 2 years after the calendar year in which the business started farming.

### Example

A farm business started in 2013. To apply for new entitlements, the farmer in control of this business cannot have been in control of carrying out agricultural activities from 01/01/2008 – 31/12/2012.

This farmer must apply for BPS entitlements in 2015.

Young farmers need to show that:

- they are at least 18 years old when they make their 2015 BPS application, but not more than 40 years old in 2015 (they cannot become 41 during 2015);
- they are in ‘control’ of the farm business that is applying for BPS. (This can be as a sole trader); and
- they set up or took ‘control’ of the agricultural business for the first time on 1 January 2010 or later.

Claimants who want to show that they meet the requirements as a new farmer and/or young farmer must send evidence to the Rural Payments Agency (RPA), in the form of a certificate from an accountant or solicitor which verifies the required documentation. It is the claimant’s responsibility to ensure that the documents they have given to the accountant or solicitor are up to date and accurate. The accountant or solicitor must complete an ‘Accountant or Solicitor Certificate – young or new farmer status’ form and return it to the claimant. The

claimant must send the original certificate to RPA by post. To avoid a penalty it must be received by RPA by the BPS application deadline.

More information about how farmers apply for BPS entitlements and the young farmer payment can be found in 'The Basic Payment Scheme in England 2015', which is on GOV.UK at <https://www.gov.uk/government/collections/basic-payment-scheme>.

## Definitions

What does 'in control' mean? 'In control' means a person has more than 50% of the shares and votes in the business.

More than one person can 'control' the business if one of the following applies:

- there is a formal agreement between them to vote together, giving them a majority of the business votes and shares; or
- they jointly own shares, giving them overall majority control.

For new farmers, where more than one farmer is in control of the business, all those in control must meet the rules for new farmers. For young farmers, only one of the farmers in control (who must be over 18 years old) needs to meet the rules for young farmers.

Farmers 'in control' of an agricultural business are the 'head of holding'.

Organisations which don't expose the people directing the business to financial benefit or harm resulting from the success or failure of the business can't apply for entitlements, for example, charities, trusts or public bodies.

### What does 'agricultural activity' mean?

Agricultural activity means producing, rearing or growing agricultural products — including harvesting, milking, breeding animals and rearing animals for farming purposes – and/or keeping land in a state suitable for grazing or cultivation by keeping it clear of any scrub that can't be grazed.

## Where to send the certificate

The accountant or solicitor should return the completed and signed certificate to the claimant, along with the documents supplied by the claimant.

The claimant must then submit the original certificate to RPA. The claimant should keep the documents they sent to the accountant or solicitor for any future inspection by RPA and they may wish to keep a copy of the original certificate for their records.

The claimant should send the Accountant/Solicitor original certificate to:

Rural Payments  
PO Box 352,  
Worksop,  
S80 9FG

## Who can complete the certificate

The certificate must be completed by a professionally qualified accountant or solicitor:

The definition of an accountant is someone who is a practising full member of a CCAB professional accountancy body (ACCA, CIPFA, ICAEW, CAI, ICAS), CIMA or overseas equivalent. The accountant may be the auditor of the claimant's accounts, but must not be an employee of the claimant's business.

The definition of a solicitor is someone who currently holds a practising certificate authorised and regulated by the Solicitors Regulation Authority (SRA) or is registered on the Roll of Solicitors maintained by the SRA. The solicitor must not be an employee of the claimant's business.

If the claimant's business is a limited company, the accountant or solicitor must not be a director appointed in accordance with Section 167 of the Companies Act 2006.

## How to complete the certificate

Accountants or solicitors must use this guidance and complete the 'Accountant or Solicitor Certificate – new or young farmer status'. The certificate must be a statement of factual findings and the accountant or solicitor must use documentation supplied by the claimant to confirm their status within the agricultural business.

The documentation the claimant has supplied to the accountant or solicitor should enable them to complete the certification form. The accountant or solicitor must complete all applicable sections.

If the applicable sections are incomplete or we find the information supplied is incorrect, we will return the certificate to the claimant. As a result, penalties may be applied or the application may be rejected.

The accountant or solicitor can choose to provide a liability disclaimer.

## Sections to complete

### 1) Head of Holding

The accountant or solicitor must, using the legal documents provided, provide the names of all of the individuals who are 'in control' of the agricultural business. The accountant or solicitor must also provide:

- the percentage of shares owned (or for partnerships this could be the percentage of profit shares) and percentage of votes held by each of these individuals; and
- details of any legal agreements which are in place to enable the claimants to vote together. Where the evidence provided shows that the claimant is a sole trader, the accountant/solicitor should enter '100%' for shares owned and votes held.

**2) Agricultural Activity** - For new farmers only

This section only needs to be completed if the claimant is a new farmer applying for entitlements. The accountant or solicitor must, using the documents provided by the claimant, provide the date the business started its agricultural activity. This should be the date the business was set up - unless the claimant has provided evidence showing that the agricultural activity of the business started after this. In this case, the date the agricultural activity started should be given.

**3) Agricultural Business** - For young farmers only

This section only needs to be completed if the claimant is a young farmer applying for new entitlements or the young farmer payment. The accountant or solicitor must, using the documents provided by the claimant, provide the date the claimant set up or took control of the agricultural business.

**4) Date of Birth**

The accountant or solicitor must, using the documentation provided by the claimant, provide the claimant's date of birth.

**5) Declarations**

The accountant or solicitor must complete this section with their and their firm's details.

**6) Counter Signed:**

To be completed by the claimant(s)

**NO LONGER  
IN USE**

## Evidence

The type of evidence a claimant will need to provide to their accountant or solicitor to support their application will depend on their business structure. We have defined typical types of business structures below:

- a sole trader;
- a partnership; or
- a company registered at Companies House

The tables below provide examples of the types of documentation which a claimant may send to the accountant or solicitor to show eligibility. This list is not exhaustive:

<b>Sole traders</b>	
<b>1) Head of Holding</b>	<p><b>One of the following:</b></p> <ul style="list-style-type: none"> <li>• VAT registration certificate or income tax return naming the claimant</li> <li>• tenancy agreement, showing the claimant leased the land</li> <li>• evidence of inheritance (land or business)</li> <li>• business bank account statement, naming the claimant as the account holder</li> <li>• business loan agreement naming the claimant as the borrower</li> <li>• annual business accounts, naming the claimant as sole beneficiary</li> </ul>
<b>2) &amp; 3) Agricultural Activity/Business</b>	<p><b>One of the following:</b></p> <ul style="list-style-type: none"> <li>• land deeds or title register showing the date the land was purchased</li> <li>• tenancy agreement with start date</li> <li>• VAT/income tax document showing the date of registration</li> <li>• evidence of inheritance, showing the date</li> <li>• business bank account statement or business loan agreement, including the date it was set up</li> <li>• annual business accounts including the date they were first produced</li> </ul>
<b>4) Date of birth</b>	<p><b>One of the following:</b></p> <ul style="list-style-type: none"> <li>• passport</li> <li>• birth certificate</li> <li>• driving licence</li> </ul>

<b>Partnership</b>	
<b>1) Head of Holding</b> <b>To prove the claimants are in control of the business</b>	<b>One of the following:</b> <ul style="list-style-type: none"> <li>partnership agreement showing the partners and percentage shares/votes held and, where it exists, any variation of previous partnership document showing the changes to the original agreement.</li> <li>legally binding agreement showing business shareholdings</li> <li>partnership accounts if they demonstrate shares ownership.</li> <li>annual accounts naming the claimants and number of shares/votes held.</li> </ul>
<b>2) Agricultural Activity (new farmer)</b> <b>Date the agricultural business commenced</b>	<b>One of the following:</b> <ul style="list-style-type: none"> <li>land deeds or title register showing the date the agricultural land was purchased</li> <li>tenancy agreement with start date</li> <li>VAT/income tax document showing the date of registration</li> <li>evidence of inheritance, showing the date</li> <li>business bank account statement or business loan agreement, including the date it was set up</li> <li>annual business accounts including the date they were first produced</li> </ul>
<b>3) Agricultural Business (young farmer)</b> <b>Date the claimant set up or became in control of the agricultural business</b>	<b>One of the following:</b> <ul style="list-style-type: none"> <li>partnership agreement demonstrating the date it was agreed and, where it exists, any variation of previous partnership document demonstrating the date of variation.</li> <li>legally binding agreement demonstrating the date the agricultural business shareholding was set-up.</li> <li>partnership accounts demonstrating the date the claimant first set-up.</li> <li>annual accounts including the date they were first produced.</li> </ul>
<b>4) Date of birth</b>	<b>One of the following:</b> <ul style="list-style-type: none"> <li>passport</li> <li>birth certificate</li> <li>driving licence</li> </ul>

<b>Companies registered with Companies House</b>	
<b>1) Head of Holding</b> <b>To prove the claimant is in control of the business</b>	<b>One of the following:</b> <ul style="list-style-type: none"> <li>legally effective document demonstrating the agricultural business shareholdings (this information is likely to be lodged at Companies House).</li> </ul>
<b>2) Agricultural Activity (new farmer)</b> <b>Date the agricultural business commenced</b>	<b>One of the following:</b> <ul style="list-style-type: none"> <li>legally effective document (this information is likely to be lodged at Companies House) demonstrating the date the agricultural business commenced.</li> </ul>
<b>3) Agricultural Business (young farmer)</b> <b>Date the claimant set up or became in control of the agricultural business</b>	<b>One of the following:</b> <ul style="list-style-type: none"> <li>legally effective document (this information is likely to be lodged at Companies House) demonstrating the date the claimant became in control of the agricultural business.</li> </ul>
<b>4) Date of birth</b>	<b>One of the following:</b> <ul style="list-style-type: none"> <li>passport</li> <li>birth certificate</li> <li>driving licence</li> </ul>

RPA will check their records to see if they have any evidence to show that the claimant has previously been in control of a previous agricultural business. Carrying out agricultural activity as an employee of a business or as an agricultural contractor would not count as having had control of an agricultural business. Page 2 of this guidance explains what 'in control' means.