



FARMER LED, FARMER DRIVEN

**The impact of 2026 IHT changes
for farmers and business owners
with Brodies LLP and MSquared Accountants
25th February 2026**



Presenters Leigh Gould and Georgia Chalmers

Monitor Farm Scotland and Michael Murray ([MSquared Accountants](#)) hosted [Leigh Gould](#) and [Georgia Chalmers](#) of Brodies LLP in late February to discuss with over 30 attendees the changes (Dec 2025) to the proposed new regime for inheritance tax (IHT) for North East farmers and other business owners.

Leigh and Georgia covered the implications for farm businesses of recent changes in agricultural property relief (APR) and business property relief (BPR) for Inheritance Tax (IHT) when these are introduced in April 2026.

Top takeaway

A key message from each speaker was the need to make a plan for the farm or business handover to the next generation in life or on death.

Leigh discussed the implications for farm businesses of recent changes in agricultural property relief (APR) and business property relief (BPR) for Inheritance Tax (IHT) when these are introduced in April 2026.

Audience questions and the team's replies are summarised below. Please note that the answers do not constitute legal advice. As was discussed at the event, proper estate planning is best tailored to the individual.

Succession, care costs and inheritance planning

Is there a risk to our farm business if my parents become ill and have to go into care?

Yes. Early gifting can secure inheritance for the next generation.

If the next generation are young, is insurance a better option?

Insurance advice is required. Cover can reduce the need to transfer ownership to deal with IHT.

What's the risk of dying without a will?

Delay and uncertainty due to no chosen executors or beneficiaries, which can disrupt the continuity of the business.

Do my parents have to share the business equally between me and my siblings?

No. The business can go to one child. Others may have legal rights to cash for part of the value, including farmland/buildings.

Can I split the £2.5m allowance so some goes to children and the rest to a spouse?

Yes.

Trusts and inheritance tax planning

Can I put the farm in a trust and take it out later?

Yes, but if you can take it back personally, it won't work for IHT savings.

How can I give something away, still benefit, and still save IHT?

You must pay market rent under a formal agreement, set by a professional valuer.

How difficult is it to run a trust?

Trusts must file tax returns, and trustees must sign accounts — similar to running another business entity.

Are lifetime trusts taxed later?

Not on death at 20% / 40%, but there are ten-year charges at 6% (often reduced to 3% with reliefs), plus exit charges between anniversaries.

Partnership structure and decision making

I have my own family and home.

Do I risk anything by becoming a partner in my family business?

Yes, partners do have personal liability for debts of the partnership.

My parents want me to be a partner but my dad will still make all the decisions. Is this the best way forward?

An agreement can set out voting rights. There should be a written partnership agreement signed when taking in new partners.

Powers of Attorney

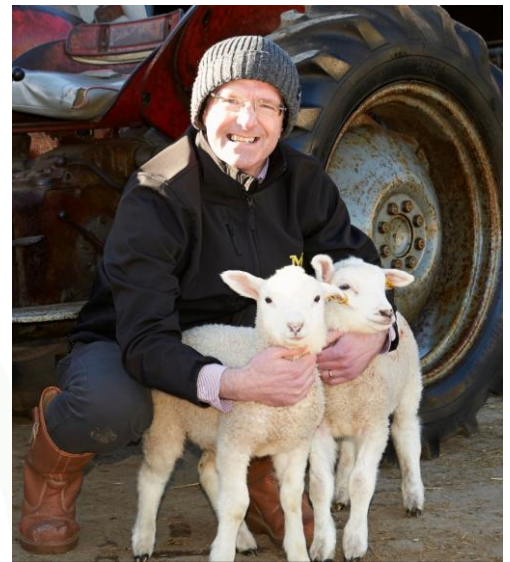
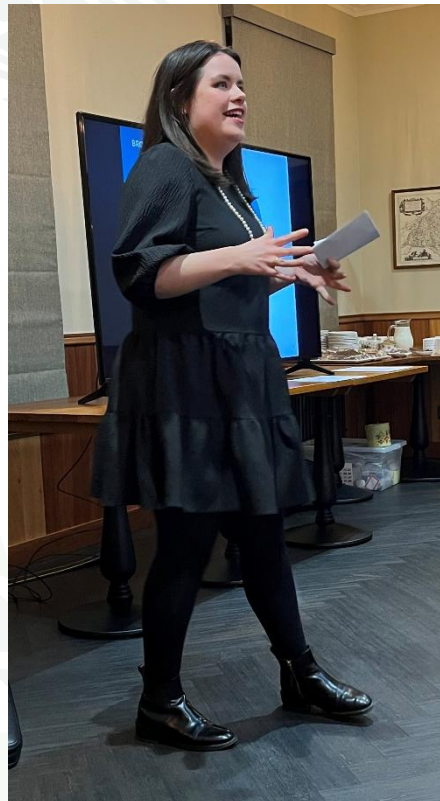
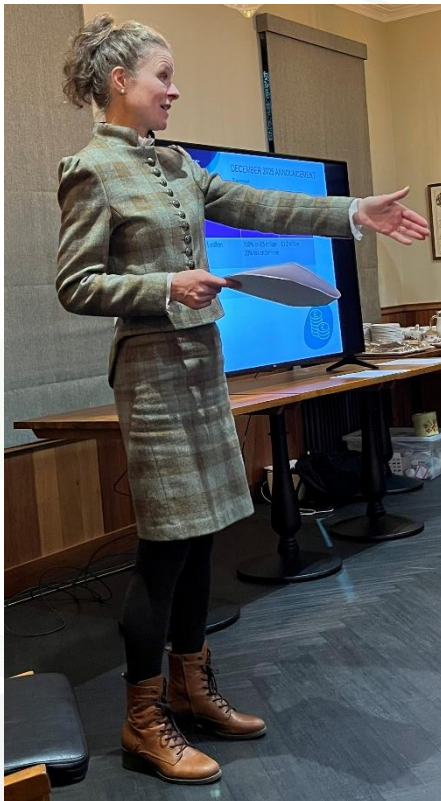
Can I ask that my powers of attorney make decisions together?

Yes. Attorneys can be required to agree jointly, even if only one carries out the practical steps.

Protection of family assets

Can we protect assets from the divorce of a child?

Yes. Pre-nuptial, post-nuptial, or cohabitation agreements can help. If those aren't possible, trusts may offer protection.



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