

## Syndication agreements

Syndication agreements are contractual agreements setting out the arrangements between a group of people who have pooled their resources to acquire a horse. Syndication agreements are commonly used by groups of people wishing to purchase a stallion for breeding purposes. The concept however is readily applicable to horses being acquired for other purposes and indeed a syndicate may form to lease a horse for a period (for competition purposes) as well as forming for the outright purchase of a horse.

Anyone contemplating participating in a syndicate should first take legal and tax advice as to the potential ramifications of doing so.

It is essential for all involved in the syndication for the syndication agreement to be in writing and to cover essential details, such as:

- the clear identification of the horse
- details of each of the owners and their contact addresses
- the extent of each owner's share in the horse
- the rights obligations and privileges afforded to each owner
- how shares in the horse may be transferred and for example whether any rights of pre-emption exist
- where the horse will be kept, stand or be trained
- who the syndicate manager will be, his or her duties and details of remuneration
- insurance coverage for the horse
- in the case of a stallion syndicate what nomination rights are afforded each owner
- in the case of a stallion syndicate, health requirements in relation to mares to be served by the stallion
- if it is intended the syndication arrangement will be of limited duration only to set out what will happen on expiry of that period (for example as to the sale of the horse)

Procedures for varying any of the arrangements specified (eg where a stallion will stand, a race horse be trained).

### Contact

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