

CORPORATE M&A | EU AND COMPETITION LAW
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Consolidate to Organise Programme

Support for the consolidation of rural land

Funded by the Recovery and Resilience Plan (RRP), the Consolidate to Organise Programme (Programa Emparcelar para Ordenar) has now been extended to cover the whole of Portugal. The programme aims to reduce excessive land ownership fragmentation in the country, helping farms and rural businesses to operate more efficiently. This should, in turn, strengthen the resilience of rural areas and support the preservation and development of farming and forestry activities.

With substantial funding and a favourable legal framework, the programme provides landowners with the opportunity to invest in expanding and increasing the value of their holdings.

In this context, Notice 04/C08-i01.03/2025 of 23 June 2025 (the “Notice”) has been published to launch applications for the programme. The Notice sets out measures to encourage land consolidation and discourage the further subdivision of rural properties.

The total budget for the programme is €9.5 million, and applications must be submitted by 31 October 2025 at 17:00

What does the Consolidate to Organise Programme involve?

Through the programme, applicants may receive a non-repayable grant to cover some of the costs involved in acquiring adjoining or neighbouring rural properties, or in rectifying the subdivision of rural properties or plots owned by multiple individuals. The grant covers 50% of eligible costs.

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Eligible transactions and properties

The following costs are eligible (excluding intra-group transactions):

- Simple rural property consolidation transactions, whether planned or completed, involving a deed signed since 1 February 2020 and carried out under the Legal Framework for Land Consolidation.
- Acquisitions of adjoining or neighbouring rural properties that have already been completed and for which a deed has been signed since 01 February 2020; and
- Reorganisation of ownership to a single owner through termination of joint ownership of properties or shared ownership of undivided estates (whether planned or completed, in the latter case with a deed signed since 01 February 2020).

In addition to outlining the eligible transaction types, the Notice sets out the technical requirements that the relevant properties (both existing and those to be acquired under the programme) must meet.

For instance, rural properties will be considered eligible if they are situated on land designated as rural, agricultural/forestry (or equivalent) or natural areas in the relevant municipal master plan.

Please note that properties must be valued by a certified valuer from the Ministry of Justice's official list of property valuers. This valuation must be completed before the application is submitted. This evaluation must be carried out by the date of submission of the application.

Other grant requirements

- Eligible expenses, which, in turn, must meet all the criteria set out in the Notice:
 - i) The lower of the two values for the property(ies) to be acquired or already acquired, which is the lesser of the valuation carried out by a certified valuer and the negotiated price between the parties, up to a limit of €10,000 per hectare; and
 - ii) The cost valuing the properties by the certified valuer.
- The grant does not cover VAT on eligible expenses.
- For eligible transactions that have not yet been completed, the deed must be signed by 31 December 2025.
- This support cannot be combined with other schemes of the same nature and purpose. The maximum amount that can be awarded to each beneficiary is €300,000, subject to the de minimis state aid limits and conditions.

The total amount of de minimis aid granted to a company or group of companies (depending on their relationship) over a three-year period cannot exceed:

- €50,000 for companies with a primary or secondary agricultural CAE (economic activity code);
- €300,000 for all other companies.

When calculating these thresholds, the legal right to receive the aid is considered, regardless of the payment date of the de minimis aid to the company

Obligations after the grant is awarded:

Within 12 months of the application being approved, the beneficiary must prove that the consolidation or reorganisation of ownership has resulted in a single land registry entry in their name.

The Notice also stipulates that the properties in question cannot be subdivided for 15 years and requires that:

- In the case of simple consolidation transactions, a restriction on subdivision must be registered against the property in the land registry.
- In the case of reorganisation of ownership into a single owner or eligible acquisition of adjoining or neighbouring rural properties, a permanent land registry code must be submitted 15 years after creation of the single land registry entry to prove compliance with the subdivision restriction.

Associated tax incentives

In addition to being eligible under the Notice, rural land consolidation transactions benefit from the following tax incentives:

- Exemption from fees for all acts and contracts required to carry out the consolidation transactions, as well as for the registration of all rights and restrictions affecting the new rural properties created;
- Exemption from Property Transfer Tax (IMT) and Stamp Duty on:
 - i) the transfer of rural properties as part of consolidation transactions;
 - ii) the acquisition of adjoining or neighbouring rural properties of the same type, provided they are already owned by the purchaser and the acquisition improves the land structure of the holding, respecting the legally defined maximum size limits;

Within 12 months of the application being approved, the beneficiary must prove that the consolidation or reorganisation of ownership has resulted in a single land registry entry in their name.

iii) the purchase or exchange of rural properties to be included in the land reserve;

iv) the acquisition of rural properties that exceed the buyer's share in the division of an estate or joint ownership, provided that the intention is to terminate co-ownership and that it would be impractical to divide the property or farm.

Exemption from Stamp Duty on loans granted and used for the above transactions, as well as on the related interest.

- Exemption from Municipal Property Tax (IMI) for rural properties resulting from consolidation, annexation or ending co-ownership for a period of ten years, as well as for rural properties included in the land reserve.
- Exemption from fees or charges on land registry correction procedures arising from the annexation of neighbouring properties. ■