



Fact Sheet

22 JULY 2022

UK Trust Registration Service - more trusts required to register by 1 September 2022 - Follow up examples

Our factsheet of 11 July 2022 set out the main issues concerning the extension to the HMRC Trust Registration Service (TRS) to all UK express trusts, unless they are one of the few types of trusts which the regulations specifically exclude.

This note provides some examples of non-taxable express UK trusts and whether they are required to register:

An express trust is a trust deliberately created by a settlor, usually in the form of a written deed or declaration of trust. This distinguishes from trusts that are created by a statutory provision rather than a deliberate action of the settlor.

Examples of registrable express non-taxable trusts

The trustees of the following types of trusts will need to register them on the TRS. Please talk to us if you have any of these types of trusts and would like assistance with registering or to discuss further:

- Declaration of trust to hold an asset jointly with another person – for example where one person legally owns shares and has created a trust deed to state they are holding some of the shares on trust for one or more other people.
This could apply to married couples where there is a trust deed for one spouse to be holding some shares on trust for the other.
- Pilot trusts created after 6 October 2000 or pilot trusts created before 6 October 2020 holding assets in excess of £100.
- Trusts holding investment bond policies - these are not covered by the exclusion for life insurance policies (see below).
- Bare trusts are generally required to be registered, for example a bare trust where shares are held by nominees for minor children will need to be registered.



- Partnerships or families holding land and property where an express trust has been created and neither of the two exclusions below for co-ownership trusts or property owned by more than 4 persons apply may need to register. Advice should be requested if this situation applies.

Examples of express non-taxable trusts that are not required to register

The following are examples of types of excluded trusts which the trustees will not need to register:

- Co-ownership trusts where the trustees and beneficiaries are the same person. This exclusion will apply where for example a married couple own property 50/50 but a declaration of trust is in place to change the beneficial ownership percentages.
- Where land is held by more than four persons legislation provides that the land is to be held in trust for the benefit of all the persons who have a beneficial entitlement to the land, the trustees and beneficiaries are not the same person but this is excluded as it is a legislative trust and not an express trust.
- Will trusts are excluded but only for two years after the date of death. The trustees will be required to register if the trust still exists two years after the death.
- Pilot trust with a value of less than £100 and created before 6 October 2020.
- Bare trust created as a requirement of an individual opening a bank account for the sole benefit of a minor child under the age of 18.

- Trusts holding a life insurance policy, income protection policy, retirement benefits policy or healthcare policy are excluded but the precise conditions for the exclusion to apply are complex and advice should be obtained.
- Certain trusts created in the course of professional services or business transactions for holding client money or other assets.

This is not an exhaustive list of excluded trusts.

Please note that if an excluded trust becomes taxable, then the trustees will be required to register within 90 days.

BGM can help you with registering a trust or estate with the TRS or determining if a particular trust is required to register under the extended rules.

If you would like to discuss these trust registration issues please contact your usual BGM advisor.



For further information, please contact Louise Delamere at louisedelamere@bgm.co.uk or your usual BGM partner.

Disclaimer: This information provides an overview of the issues considered and is for general information only. It is not intended to provide advice and should not be relied upon in any specific transaction.