



Fact Sheet

11 JULY 2022

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

Trustees (or their agents) have been required to register taxable trusts online with the HMRC UK Trust Registration Service ("TRS"). The TRS is a register of information regarding beneficial owners and potential beneficiaries of relevant trusts.

Prior to 6 October 2020, the TRS only applied to trusts deliberately created by a settlor (i.e. UK or non-UK express trusts) that had a liability to any of the following UK taxes: income tax, capital gains tax, inheritance tax, stamp duty land tax, land and buildings transaction tax (Scotland), land transaction tax (Wales) or stamp duty reserve tax. The TRS also applies to complex taxable estates.

From 6 October 2020 many more trusts now have to register with the TRS, including:

- All UK express trusts, whether taxable or not, unless excluded
- Non-UK express trusts
 - If the trustees acquires UK land on or after 6 October 2020, or
 - If the trust has at least one trustee resident in the UK and the trustees enter into a business relationship with a UK "relevant person"
- Non-express trusts and specifically excluded express trusts which have a tax liability.



Certain types of trusts are specifically excluded from being required to register with the TRS. However, an excluded trust may still be required to register with the TRS if it is a taxable trust.

These excluded trusts include, but are not limited to, the following:

- UK registered pension schemes
- UK charitable trusts

- Will trusts – but only for 2 years after the date of death
- Trusts for bereaved minors
- Trusts holding insurance policies and death benefits
- Trusts with a value of less than £100 created before 6 October 2020
- Employee share scheme trusts

There are detailed conditions attaching to these exclusions which should always be reviewed carefully.

Examples of trusts that are not excluded are bare trusts, pilot trusts created after 6 October 2020 and employment benefit trusts and these may therefore need to be registered.

Deadlines for registering

- Trusts which are not liable to UK taxes but are required to register, must do so:
 - by 1 September 2022 if the non-taxable trust was in existence on 6 October 2020
 - within 90 days of the trust being created, or 1 September 2022 if later; if the non-taxable trust was created after 6 October 2020
 - within 90 days of the trust first falling within a category which is required to be registered or 1 September 2022 if later.
- where a trustee is required to register a trust because it has become liable to UK taxes, and the trust is not already registered, they must do so:
 - by the 31 January after the tax year in which the trustees were first liable to pay UK taxes in the case of a trust which is set up before 6 April 2021, or by 5 October after the end of the tax year for a first time liability to income tax or capital gains tax
 - by 1 September 2022, in the case of a trust which is set up after 5 April 2021 where the trustees become liable to pay UK taxes before 1 September 2022; and
 - within 90 days of the trustees becoming liable to pay UK taxes, in any other case.
- Changes to trust details or circumstances must also be reported on the TRS within 90 days.
- Where a trustee is required to update the data on the TRS, they must do so:
 - by the 31 January following the tax year in which the change occurred if there was a liability to pay UK taxes in the tax year the change occurred;
 - by the 31 January following the next tax year after the tax year the change occurred if there was no liability to pay UK taxes in the tax year the change occurred.
- If there are no changes to trust data in a tax year, but the trust has incurred a tax liability during the tax year, the trustees must confirm that there have been no changes and that the details on the TRS are up to date on or before 31 January following the tax year.
- Personal representatives of complex estates or where administration lasts for more than two years must register by 5 October after the tax year when the estate starts to receive income or has chargeable gains on which tax is payable.

Penalties

A failure to register a trust on the TRS or a failure to notify any change of information by the due date, can result in penalties being chargeable on the lead trustee.

HMRC have said that they will not automatically charge penalties for late TRS registration or updates but will

instead take a pragmatic and risk based approach to charging penalties. A penalty will not be payable if HMRC are satisfied that a trustee took reasonable steps to comply with the regulations.

Information held on the TRS

Information from the TRS can be passed to law enforcement agencies to help counter money laundering and terrorist financing. From 1 September 2022 certain other organisations and individuals with a “legitimate interest” may also request limited information on the beneficial ownership of registrable express trusts.

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@b_{gm}.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.