

# TRUST REGISTRATION SERVICE

## Extension to Non-Taxable Trusts

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Currently UK trusts are only required to register with the Trust Registration Service (TRS) if they have a liability to pay tax.

From 6 October 2020 new regulations extended the registration requirements to all UK trusts, regardless of whether the trustees incur a liability to UK tax, with some exemptions.

This extended Trust Registration Services (TRS) opened on 1 September 2021 with the following registration deadlines:

- Non-taxable trusts in existence on or after 6 October 2020 must register by the 1 September 2022.
- Non-taxable trusts created after 1 September 2022 must register within 90 days.
- Changes to a trust's details and/or circumstances must be registered within 90 days of the change.



## Trusts that need to be registered

These are broadly:

- All UK express trusts, unless specifically excluded. An express trust is generally a trust created through a written deed or declaration of trust, for example a discretionary trust.
- Non UK express trusts that a) have acquired land or property in the UK or b) Have at least one trustee resident in the UK and enter into a business relationship in the UK.

## Trusts exempted from registration

The following types of trust are specifically excluded from the requirement to register, unless they are liable to pay tax:

- Trusts of jointly held property, if the legal and beneficial owners are the same.
- Estates (apart from registrable complex estates) and trusts created on death that are only in existence for a period of two years from the date of death.
- Trusts imposed by legislation or court order.
- Certain trusts holding insurance policies and compensation pay-outs.
- Charitable trusts.
- Trusts where a disabled person is the beneficiary.
- Pilot trusts created before 6 October 2020 with assets not exceeding £100.
- Child bank accounts which are held as bare trusts.

This list is not exhaustive and you should seek advice to ascertain if your trust is exempt or requires registration.

## Registration Information Requirements

Trustees or their agents will have to provide some information about the settlors, beneficiaries and trustees involved in the trust.

This information will include their name, date of birth, National Insurance Number and country of residence.

The Trust Deed would also need to be obtained as details such as full name of the trust and date of creation will be required.

Descriptions and estimated values of the trust assets at the time of registration are also a necessity



## Failing to register – Penalties

If you are a trustee of a trust which must be registered, but you do not register it by the deadline, you may be personally liable to pay a penalty. Each matter is assessed on a case by case basis and penalties are not automatically applied.

The penalties that can be applied are:

- £100 for registrations up to 3 months past deadline.
- £200 for registrations between 3-6 months past the deadline.
- £300 or 5% of total tax liability in relevant year (whichever is the higher amount) for more than 6 months past the deadline.

Difficulties can arise when completing the registration and we recommend starting registration as soon as possible

These issues include

- Ascertaining all trust assets and an appropriate valuation.
- Trusts that have closed or ceased between the 6 October 2020 and 1 September 2021.
- Trust deeds not readily available.
- Historic trusts where the settlors or beneficiaries have died.

Our dedicated tax team can help trustees with the registration process. Please contact us to find out more about how we can help.

## Key Contacts



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