

# HMRC's Trust Registration Service

## Background

1. HMRC's Trust Registration Service (TRS) came into effect in June 2017. The TRS acts as a register of the beneficial ownership of assets held in certain trusts, as well as holding information on the settlors, trustees and beneficiaries.
2. Originally, HMRC only asked those trusts with a UK tax liability to register with TRS.
3. Changes to the TRS were introduced in October 2020 to meet the fifth EU Money Laundering Directives. These changes extended the scope of the TRS to all UK and some non-UK trusts, regardless of whether the trust is liable to UK tax.
4. Once a trust is registered with HMRC, there is a need to make certain that the details remain correct and if not to update the system. A submission on the TRS is needed annually for each trust, by 31 January after the end of the tax year, confirming that all trust details are up to date. However, where information or circumstances changes, the trustees have a responsibility to update the TRS within 90 days from the date of the change.
5. Government authorities and anyone with a 'legitimate interest' can request to access the information held on the TRS.

## Which trusts now need to register?

6. All UK express trusts.
  - a. An express trust is defined as a trust deliberately created by a settlor. This needs to be registered with HMRC, whether or not the trust has a UK tax liability. This includes Bare Trusts.
  - b. A UK resident trust is where either all the trustees are UK tax resident or;
  - c. there is a mix of UK and non-UK resident trustees (or UK resident corporate trustee) and the settlor of the trust was resident and domiciled in the UK either at the time that the trust was set up or the settlor added funds to the trust.
7. Non-UK express trusts (these are trusts that are formed through the operation of the law, be that legislation or through a court decision) that acquire land or property in the UK post 6 April 2020.
8. Non-UK express trusts where at least one of the trustees is UK resident when the trustees enter into a business relationship with an "obliged entity" in the UK. We are only interested in non-UK trusts, where the business relationship did not exist prior to 6 October 2020.
  - a. An obliged entity includes but is not limited to a financial or credit institution, accountant, tax adviser, legal professional, estate agent, art dealer and any other person dealing in certain goods or providing particular services.
9. Non express trusts and specifically excluded express trusts which have a UK tax liability.



## Background



## Which trusts now need to register?



## Excluded trusts



## Deadlines for registering



## How Andersen can assist

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## Excluded trusts

10. The following trusts are excluded from needing to register with HMRC:
- Estates and Trusts created on death
  - Insurance Policies and compensation payments
  - Charitable trusts
  - Employee Share scheme trusts
  - Property ownership
  - UK registered Pension schemes
  - Trusts where the beneficiary is a disabled person
  - Historic Pilot trusts
  - trusts imposed by legislation or court order
  - Public Authorities
  - Approved Maintenance funds for historic buildings
  - Professional services and commercial arrangements
  - Financial and capital markets
  - Trusts registered on the European Economic Area (EEA) register- to avoid duplication
  - Child bank accounts, sometimes these need to be registered as a trust to enable the account to be opened.
  - Healthcare policies held in trust

## Deadlines for registering

11. The deadline for registering a non-taxable trust that was in existence on or after 6 October 2020 is **1 September 2022**.
12. For existing trusts that have a UK tax liability they will need to register by **5 October**, following the tax year in which the liability arose to receive a Unique Taxpayer Reference number. For example, a taxable transaction in December 2021, the trust has never previously needed to prepare a UK tax return, registration is by 5 October 2022.
13. Where an existing trust has been liable for Inheritance Tax in the past, then the registration period in our example is extended to 31 January 2023.
14. The deadline for registering **new UK or overseas trusts created on or after 3 June 2022 is 90 days from the date of creation.**



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## How Andersen can assist

Andersen can assist with registering new and existing trusts with HMRC and preparing, updating and submitting the trust register each year. Information required to register a trust with HMRC is below. Any changes are required to be updated within 90 days.

### Information required for the trust:

- Trust name
- Trust UTR number (if the trust has already been registered/is filing UK tax returns).
- Date of the trust creation
- Whether or not the trust is an express trust
- Whether or not the trust pays UK tax
- If it is a non-UK trust, whether the trust has a business relationship in the UK
- Whether or not the trust has purchased any UK land or property
- Whether or not the trust has a controlling interest in a non-EEA company

### Information required for the settlor(s), trustee(s), beneficiaries & trust protector(s)

- Date of birth
- National Insurance number and address (if they're a UK citizen)
- passport details and address (if they're not a UK citizen)
- telephone number
- country of residence
- country of nationality
- mental capacity at the time of registration (HMRC will assume the individual has mental capacity, unless told otherwise).

### If the Lead Trustee is a company, they will need:

- organisation name
- telephone number
- organisation UTR
- email address
- address
- country of residence

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