



Trustees: What is the Trust Registration Service and how does it affect you?

What is the Trust Registration Service? New anti-money laundering legislation (the regulations) was introduced in the UK on 26 June 2017 as part of the increasing global demand for transparency surrounding trusts.

Since then, the scope of the Regulations has been extended and widened numerous times and now covers the majority of UK trusts (whether or not they are chargeable to tax) and some non-UK trusts. They can also apply in more obscure situations, such as certain types of property ownership and estates that have been in administration for over two years.

The Regulations require trustees to maintain a written record of the 'beneficial owners of the trust. The term 'beneficial owner' has an extended meaning and includes settlors (the persons who set up the trust during their lifetime or on death), trustees, beneficiaries, beneficiaries, classes of beneficiaries, protectors and any individuals exerting control or influence over the trust.

Under the Regulations, trustees must register details of the trust and its beneficial owners with HMRC on the Trust Registration Service (TRS) and ensure that its information is kept up to date. Certain types of trusts are expressly excluded from the requirement to register.

Although certain organisations, such as law enforcement agencies, can access the information on the TRS, it will not be open to public inspection.

What type of information is held on the TRS?

The details that are required to be recorded on the TRS include:

- The full name of the trust and the date it was established;
- whether the trust owns UK land or property;
- the country in which the trust is tax resident;

- For the settlor and trustees – name, address, contact details, date of birth, national insurance number or passport number, country of nationality and tax residence;
- For other beneficial owners – name, date of birth, national insurance number, the nature and extent of their beneficial interest in the trust, country of nationality and tax residence, and whether or not they have mental capacity.

In addition to the above information, for trusts with a tax liability to income tax, capital gains tax, inheritance tax or stamp duty land tax, details of the assets in the trust and their approximate value need to be entered. These types of trusts are known as taxable trusts. Trusts not liable to tax are not required to report the assets.

Registration deadlines

For taxable trusts set up before 6 April 2021, the registration deadline is 31 January following the end of the tax year in which the tax liability arises, or if the trust becomes liable to income tax or capital gains tax for the first time, the slightly earlier deadline of 5 October following the end of the tax year applies.

For taxable trusts set up on or after 6 April 2021, the registration deadline is within 90 days of the date the trust becomes liable to pay tax.

Trusts that are not liable to pay tax and that existed on or after 6 October 2020 must register within 90 days of the date the trust was first set up or, if later, within 90 days of the trust first becoming registerable.

What else do I need to do?

Under the Regulations, once the initial registration of the trust on the TRS has been made, the trustees have the following ongoing obligations:

- To maintain accurate, up-to-date written records about the trust and its beneficial owners.
- On request, to share this information with the trust's professional advisers, such as investment managers, accountants, solicitors and financial institutions.
- To inform the trust's professional advisers of any changes to this information within 14 days of the change so that they can update any bodies or organisations who have previously requested the information.
- Ensure that the information on the TRS is correct and up to date by complying with the requirement to update the TRS within 90 days of any change.

- For any tax year for which a tax return is required, make an annual declaration on the TRS that the information held is up to date or that there have not been any changes to report in that tax year. The deadline for this annual declaration is 31 January, following the end of the tax year.

Are there penalties for non-compliance?

Yes! According to [HMRC's guidance](#), the penalty for failing to register a trust by the relevant deadline is £5,000, but only where that is due to the deliberate behaviour of the trustees. The guidance states that 'there will be no penalty for a first offence of failure to register or late registration of a trust unless that failure is shown to be due to deliberate behaviour on the part of the trustees'. A similar £5,000 penalty applies for failing to keep the information on the TRS up to date, but again only where this is deliberate.

How can we help?

If you are a trustee, you can choose to register and maintain the trust yourself or appoint an agent to do this for you. Lester Aldridge can act as an agent for you, and our experienced team can review the trust and confirm whether or not it needs to be registered and by what date. We can register the trust on the TRS on behalf of the trustees and help keep the information on the TRS up to date.

If you believe you could benefit from the Trust Registration Service, please contact our [tax and trust planning team](#). You can reach us via email at online.enquiries@LA-law.com or by phone at [01202 786272](tel:01202786272).