

## HMRC's Trust Registration Service ('TRS')

### IMPORTANT UPDATE – Trustees need to act promptly to avoid financial penalties.

Due to the implementation of the Fifth Money Laundering Directive, Trustees should now register all UK Trusts and some non-UK Trusts (which acquire land or property in the UK or have at least one Trustee resident in the UK and enter into a 'business relationship' within the UK) on HMRC's Trust Registration Service (TRS), unless the Trust is specifically excluded. Trustees need to act promptly to avoid penalties.

You must register:

- non-taxable Trusts in existence on or after 6 October 2020 by the 1 September 2022 (even if the Trust has ceased before 1 September 2022).
- non-taxable Trusts created after 1 September 2022 within 90 days.
- changes to the Trust details and/or circumstances within 90 days of the change.

Please note that the requirement to register any Trust that incurs a tax liability remains in place as well as the new requirements set out above. Furthermore, if the Trust needs a Unique Taxpayer Reference (UTR) for Self-Assessment purposes, it must still register to get this even if it is included in the exclusion list.

There are certain Trusts that do not need to register unless they are liable to pay UK tax and these include the following:

- Trusts used to hold money or assets of a UK-registered pension scheme, such as an occupational pension scheme;
- Trusts used to hold life or retirement policies providing that the policy only pays out on death, terminal or critical illness or permanent disablement, or to meet the healthcare costs of the person assured;
- Trusts holding insurance policy benefits received after the death of the person assured, providing the benefits are paid out from the Trust within 2 years of the death;
- charitable Trusts which are registered as a charity in the UK or which are not required to register as a charity;
- 'pilot' Trusts which were set up before 6 October 2020 and which hold no more than £100 – pilot Trusts set up after 6 October 2020 will need to register;
- co-ownership Trusts set up to hold shares of property or other assets which are jointly owned by 2 or more people for themselves as 'tenants in common';
- Will Trusts which are created by a person's Will and come into effect on their death providing they only hold the Estate assets for up to 2 years after the person's death;
- Trusts for bereaved children under 18 or adults aged 18 to 25 set up under the Will (or intestacy) of a deceased parent or the Criminal Injuries Compensation Scheme;
- 'financial' or 'commercial' Trusts created in the course of professional services or business transactions for holding client money or other assets.

If you have any form of Trust structure then it is essential that all Trustees are aware of the changes and how these affect them. For more information about who, when, what and how to register, please see <https://www.gov.uk/guidance/register-a-trust-as-a-trustee#what-youll-need>. More detailed technical information can also be found in the Trust Registration Service Manual at [www.gov.uk/hmrc-internal-manuals/trust-registration-service-manual](http://www.gov.uk/hmrc-internal-manuals/trust-registration-service-manual).