

# Updates to HMRC's Trust Register – Registration now open for non-taxable trusts

HMRC has recently launched its updated Trust Registration Service (TRS), now with the requirement for trustees to register non-taxable trusts. This furthers HMRC's digital strategy and aims to provide greater tax transparency. Affected trustees have until 1 September 2022 to complete the initial registration.

## Quick background refresher

In June 2017 HMRC launched TRS due to the UK's adoption of the Fourth EU Anti-Money Laundering Directive. All trusts liable to tax were required to register on TRS. We assisted many clients with this process but dormant and non-taxable trusts were exempted from the registration requirement.

## What's changed?

From 6 October 2020 as part of the UK's implementation of the Fifth Anti-Money Laundering Directive, many of the previous exemptions no longer apply and many more trusts are now required to register.

Common examples of trusts that were not previously required to register but will now have to do so include:

- Bare trusts
- Pilot trusts
- Employee ownership trusts
- Dormant trusts

These are technical expressions used in the legislation and guidance which many will not recognise. If you know you are a trustee, but have not registered under TRS, then you might well want to contact us for further advice.

There are also circumstances not commonly recognised as trusts, but which will need to be registered. These include:

- Holding assets for children and grandchildren
- Holding assets for unregistered charities, associations etc
- Holding assets for partnerships
- Holding assets for companies

If you are the legal owner of an asset (or even part of an asset) for and on behalf of someone else, you are probably a trustee and you may well need to register.

## Continuing exclusions

There are however some continuing exclusions, which include:

- Bank deposits for children
- Life policies “in trust”
- Registered charities
- Will trusts
- Client money trusts
- Trusts arising under sale and purchase agreements and similar commercial arrangements
- Financial services products

If you are in any doubt as to whether a trust requires registration, please contact us.

## When is the deadline?

HMRC has announced a deadline of 1 September 2022 for all non-taxable trusts to register via TRS.

## How can we help?

We are able to assist clients with registering on TRS for a fixed fee of £450 plus VAT (where applicable) for the first trust and £350 (plus VAT where applicable) per trust for any further trusts connected (i.e in the same family or group structure). However, if the trust is unusually large or complex, we will discuss your requirements and our fee before committing to the work.

In other circumstances we will be pleased to do the registration work on receipt of instructions and on agreeing scope and fee.

## What happens if the trust does not register?

HMRC has confirmed that penalties will be due for late registration.

## Further information

Please contact your usual Price Bailey contact in the first instance if you think you may be affected by the new legislation. If applicable they will ask a member of our tax team to contact you to discuss matters further. Our tax team has a small group of dedicated individuals lined up to undertake this work, who understand the requirements and who have the practical experience necessary to undertake the work efficiently.