

JUNE 2022

BRIEFING NOTE - TRUST REGISTRATION SERVICE



This briefing note is designed to provide information and guidance to trustees in respect of the new trust registration service (TRS) requirements that were introduced by HMRC from 1st September 2021. The deadline for registration of most existing trusts is 1st September 2022 while for new trusts it is within 90 days of the date of their creation.

HMRC used to require completion of a paper form to register a new trust. However, if there was no income arising and no likelihood of income or gains in the future, this form was not required and the trust did not need to be registered with HMRC unless a liability to UK tax arose and therefore was payable by the trustees in the future.

Now trusts are required to register through the TRS rather than using a form. The TRS provides a single online route for trustees to meet their registration obligations and to obtain a self-assessment unique taxpayer reference (UTR) for the trust if it needs to submit a tax return due to a liability to UK tax.

Trusts that are or become liable, for any of the below taxes will need to obtain a UTR and submit a self-assessment tax return.

- Capital gains tax
- Income tax
- Inheritance tax
- Stamp duty land tax
- Stamp duty reserve tax
- Land and buildings transaction tax (in Scotland)
- Land transaction tax (in Wales)

If the trust is not resident in the UK ('non-resident trusts'), it must be registered if it becomes liable for tax on income from the UK or on UK assets.

If the trust has a tax liability but this is covered by a relief, it must be registered and the relief claimed through self-assessment.

In addition, the following types of trusts must register with TRS even if they have no tax liability:

- all UK express trusts (this is a trust created deliberately by a settlor, usually (but not always) in the form of a document such as a written deed or declaration of trust) unless they are specifically excluded (see below)
- non-UK express trusts that:
 - 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.

The following types of trust do not need to be registered if any of the following applies, unless they have a liability to UK taxation:

- The trust is used to hold money or assets of a UK registered pension scheme.
- The trust is used only to hold life assurance 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.
- The trust is holding insurance policy benefits received after the death of the person assured and the benefits are paid out from the trust within two years of death.

- Whole of life policies in trust that are primarily protection policies should remain excluded from the requirement to register during the lifetime of the life assured (and for up to two years following death) even if the policy includes a surrender value.
- A charitable trust that is registered as a charity in the UK or which is not required to register as a charity.
- A 'pilot' trust set up before 6th October 2020 which holds no more than £100. Pilot trusts set up on or after 6th October 2020 will need to register.
- A co-ownership trust set up to hold shares of property or other assets which are jointly owned by two or more people for themselves as 'tenants in common'.
- A will trust created by a person's will which comes into effect on their death, provided that it only holds the estate assets for up to two years after the person's death.
- A trust 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.
- A 'financial' or 'commercial' trust created in the course of professional services or business transactions for holding client money or other assets.

Please note that this list above is not exhaustive and legal or tax advice should be obtained to check whether a particular trust should be registered or is liable to UK tax or if assistance is required with the registration process.

Some financial products and arrangements with 'trust' in their description, like the child trust fund, venture capital trusts or investment trusts, are not really trusts so do not need to be registered.

Who should register

All trustees are equally legally responsible for the trust but one 'lead trustee' should be nominated to be the main point of contact for HMRC and register the trust.

How to register

The lead trustee will need to have an Organisation Government Gateway user ID and password. This can be created the first time that the trustee registers. A Government Gateway user ID will be needed for each trust that requires registration.

To obtain an Organisation Government Gateway user ID and password, the lead trustee will need an email address (this will be linked to the trust's own Government Gateway account) and must provide their full name.

In order to register the trust, the lead trustee may also need to obtain and provide some or all of the following information:

Information required for the trust:

- Trust's name;
- Date the trust was created;
- Whether the trust is governed by UK law;
- Whether the trust's administration is carried out in the UK;
- Whether the trust has acquired land and property in the UK since 6th October 2020;
- Whether the trust is registered in any European Economic Area (EEA);
- How many trustees are based in the UK;
- Whether the trust has ever been resident offshore.

Information required for the lead trustee:

- Name;
- Date of birth;
- National insurance number (if a UK citizen);
- Passport details (if not a UK citizen);
- Address;
- Email address;
- Telephone number;
- Country of residence;
- Nationality.

Information required for the settlor/s (a settlor is an individual who has put assets into a trust) of the trust:

- Whether the trust was created during the settlor's lifetime or after their death;
- Name;
- Date of birth;
- Date of death (if applicable);
- Last known country of residence;
- Nationality;
- Type of trust;
- Whether holdover relief was claimed on any assets put into the trust.

For all other individuals involved in the trust, including additional trustees, protectors and beneficiaries, the following information may be required:

- Name;
- Date of birth;
- Email address;
- Country of residence;
- Nationality;
- Mental capacity at the time of registration for each individual (HMRC will assume that the individual has mental capacity unless told otherwise).

Additional information required:

- Details of the classes of beneficiary;
- Details of the assets that the trust holds and their value.

The details of both the named individuals and classes of beneficiaries should be found in the original and any subsequent trust deeds.

Please note that this list is not exhaustive. The specific information required will depend on the type of trust being registered and whether registration is for a trust with a UK tax liability or just a non-taxable one.

After registration

The lead trustee will receive the trust's UTR if registering a taxable trust and a Unique Reference Number (URN) if registering a non-taxable trust. These will need to be kept safe for future reference and will be needed to keep HMRC up to date.

If you are registering a trust that is liable to tax, HMRC will send the lead trustee a UTR, usually within 15 working days. The UTR will be needed to complete and submit self-assessment tax returns for the trust. If the trust is taxable or becomes liable to UK tax, the lead trustee must submit a tax return and keep HMRC up to date on an annual basis by 31st January each year for the preceeding tax year.

If the trust is not liable to pay tax, the lead trustee can obtain the trust's URN by logging into the TRS following submission of the registration. The non-taxable trust details must be kept up to date on the TRS with any changes to the trust details or beneficial ownership registered within 90 days of the date that the trustees become aware of these changes.

Most tax and legal advisers are offering to do the trust registration on behalf of clients if the trustees wish to delegate this to a professional. To ensure that trusts are registered correctly and to avoid any penalties, Bloomsbury suggests asking a solicitor or tax adviser to do this on behalf of the trustees.

More information, the links to obtain an organisational Government Gateway user ID and password and to register can be found via the following:

[Register a trust as a trustee](#)

[Manage your trust's details](#)

Please note that Bloomsbury Wealth does not give tax or legal advice and any comments or observations are merely to provide general guidance. Appropriate tax and legal advice should therefore be obtained from a qualified adviser.

For further information please get in touch with your usual Bloomsbury contact, telephone 0204 502 4560 and ask for a member of the wealth team or alternatively e-mail:

truewealth@bloomsburywealth.co.uk

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