



UPDATE TO THE TRUST REGISTER

LATEST GUIDANCE AND 90 DAY REPORTING REQUIREMENT

Lucy Orow | Updated September 2021

More and more information is being released about the update to the Trust Register and who will now be required to report. However, there are also changes being introduced for Trusts already registered.

Existing Registered Trust with a Tax Position

These Trusts have been registered for some time and should already be updating annually in line with the Tax Return deadline.

Under the new rules, this will continue but additional information now has to be added for each beneficial owner. A beneficial owner is a settlor, trustee and beneficiary. The information required includes:

- Country of residence
- Nationality
- Nature and extent of beneficial interest

The Trust Register has been updated in May 2021 to allow for the reporting of this information, with an intended deadline of March 2022 but this is expected to be moved to May 2022.

Existing Not Registered non-taxable Trusts

These trusts have not previously been required to register but under the 5th Money Laundering Directive are now included. As they do not have a Tax Return requirement, the information requested is less. For each beneficial owner (see above) they must supply:

- Name
- Month and year of birth
- Country of residence
- Nationality
- Nature and extent of beneficial interest

There has been much debate over which non-taxable Trusts will need to register and there is a list of exclusions (see below). This list does not include Bare Trusts and so where a family member is named on a bank account, for example, this would trigger a requirement to register.

One exclusion which is included, is in relation to jointly owned property, where the trustees and beneficiaries are the same – so husband and wife bank account, for example.

In addition, there will be a requirement for non-UK Trusts to register where they have at least one UK trustee or the Trust purchases land in the UK.

The update to the Trust Register is due by the autumn of 2021. There will be a 12 month reporting deadline thereafter.

New Trusts

When a new trust is formed, the Trust Register will have to be completed within **90 days**. This is a big change and will require trustees and those helping to set up the Trust to be prompt with their registration.

Where a trust is set up with an initial £10 capital introduction, it can be registered as a non-taxable trust (see above) and once further taxable assets have been introduced, changes can be made to the register.

Any changes to the Trust must be reported within 90 days.

Existing Trusts

As with new Trusts, any changes to existing Trusts will have to be reported within **90 days**, rather than within the Tax Return filing deadline, as presently.

The 90 day reporting requirement will be introduced with the update in the autumn.

Penalties

HMRC will allow a period of grace and a nudge letter to be issued ahead of any penalties. Failure to ultimately register will incur a penalty of £100.

Excluded Trusts

Trusts imposed by Statute	Trusts arising on intestacy; Trusts of land which arise automatically where a home is jointly owned
Trusts imposed by Court Order	Includes Trusts arising from family court on divorce or for compensation claims
Pension Scheme Trusts	Only where registered under FA2004 Part 4
Trusts of life insurance policies	The policy must not have a surrender value and only arise on death
UK Charitable Trusts (non-taxable)	This includes non-registered charities, such as schools, museums, galleries and churches, where income is small
Pilot Trusts (pre 6 October 2020)	If assets exceed £100 then registration will be required
Will Trusts within 2 years of death	Allows for a variation of the Will
Co-ownership Trusts	Includes assets held as 'tenants in common' such as land or bank accounts, where trustees and beneficiaries are same persons
Trusts which meet legislative requirements	Includes Beavered Minors Trusts and 18-25 Will Trusts and Trusts for maintenance of historic buildings and personal injury Trusts.



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At Lambert Chapman LLP we are able to assist Trustees in registering their Trusts and keeping the Trust Register up to date. If you would like any help in this matter or wish to discuss the requirements of your Trust, please contact:



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