

Changes to The UK Online Trusts Registration Service (TRS)

The UK Trust Registration Service (TRS) came into being in 2017 as part of the UK implementing an EU anti-money laundering directive. Each EU member state has a similar register. The UK agreed to maintain the TRS as part of the Brexit Withdrawal Agreement entered into with the EU.

The TRS was designed to provide a single point of access for trustees and their agents to register trusts and, once registered, update any changes in their details online.

Originally, only trusts deliberately created and which incurred certain UK tax liabilities were required to register. On 2 September 2021, the UK Government announced that certain other trusts would be required to register and set out the deadlines by which they would have to do so.

In most cases, it will be clear if a trust will have to register on the TRS, but this is not always the case.

Trustees should always take specific advice based upon the circumstances of their trust but the following outlines the main features of the TRS including the recently announced changes.

Deciding if a trust is subject to the TRS rules

The TRS rules only apply to “express trusts”. So, the first question you need to ask is whether the trust is an express trust or not. The term “express” is not legally defined, but in practice this means any trust which has deliberately been created, rather than by operation of law.

If the trust is an express trust, you then need to check if it is exempt from registering. For example, some express trusts are exempt from registering even if they do incur a UK tax liability (such as certain life policies and pension trusts).

Taxpaying vs non-taxpaying express trusts

A trust will be a taxpaying trust if it incurs one of the following UK tax liabilities;

- Income tax
- Inheritance tax
- Capital gains tax (CGT)
- Stamp duty and stamp duty reserve tax
- Stamp duty land tax (SDLT)
- Land and buildings transaction tax (Scottish equivalent of SDLT)

If none of the above apply, the trust will be a non-taxpaying trust.

Registration for “taxpaying trusts”

The general rules on registration deadlines (which should be checked, as they can change) are:

Trusts that are liable for income tax or CGT for the first time:

By 5 October in the tax year after the one in which the trust starts to receive any income or has capital gains and becomes liable for income tax or CGT.

Trusts that have been liable for income tax or CGT previously:

By 31 January in the tax year after the tax year in which the trust receives any income or has capital gains and is liable for tax.

Trusts that are liable for other taxes:

By 31 January in the tax year after the one in which that other tax liability was incurred

Registering express non-UK non-taxpaying express trusts

You only have to register these trusts if they were created on or after 6 October 2021 and they:

- Acquire directly-held land or property in the UK; or
- Have at least one trustee resident in the UK **and** enter into an ongoing ‘business relationship’ with an entity in the UK (such as a professional adviser).

The original deadline for these trusts to be registered was 10 March 2022. However, this is now by:

- 1 September 2022 for all such trusts created from 6 October 2020 to 31 August 2022.
- Within 90 days for new such trusts created after 1 September 2022.

If any trust information which was already on the register on 1 September 2022 needs updating, the update must also be done within 90 days of the change of information occurring.

How to register the trust

Trustees can do this themselves or ask a professional firm to do this for them. In outline, it involves:

1. Obtaining an Organisation Government Gateway user ID and password. If you do not have one, you can create one the first time you register;
2. Inputting various information about the trust, settlor(s), trustees, beneficiaries and assets; and
3. Updating any changes to details entered when registering within 90 days.

Do you have a query regarding the changes to The UK Online Trusts Registration Service?

If you would like any advice or assistance concerning the TRS, including on the registration process and recently announced changes, please contact our experts listed below.

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