

## Registration of Trusts

Following new EU Money Laundering regulations, and as part of increasing global demands for transparency, trustees are now required to maintain specific data about all controlling persons and beneficiaries.

Trusts which are in self-assessment, or have a liability to certain other taxes in the year, must report details of their beneficial owners, together with additional information on trust assets, to HMRC. HMRC will retain this data on a Trust Register.

### Which trusts need to register?

The regulations apply to "relevant trusts" which in these circumstances include any "express trusts" (i.e. a trust which has been deliberately created by a settlor) whose trustees are either:

- All UK resident; or
- At least one is a UK resident and the settlor was a UK resident and domiciled when the trust was created; or
- Not UK resident but the non-UK resident trustee receives UK source income or has assets in the UK on which it is liable to pay UK taxes.

The trustees (or their agent) of a **taxable relevant trust** must provide HMRC with certain information of beneficial owners for inclusion on a register to be maintained by HMRC.

### What is a taxable relevant trust?

A taxable relevant trust is a relevant trust in any year in which the trustees (not the beneficiaries) are liable to pay any of the following in the UK - income tax, capital gains tax, inheritance tax, stamp duty land tax or stamp duty reserve tax.

### When do trustees (or their agent) need to complete and submit the registration?

Deadline for Trusts created in 2016/17 or incurring an income tax or capital gains liability for the first time in 2016/17	Deadline for existing Trusts and Trusts which do not need to register for self-assessment
<p>The deadline for registration is 5<sup>th</sup> January 2018 (which was previously 5<sup>th</sup> October 2017)</p> <p>HMRC confirms this extension is for the first year of the service only. In future the deadline will be 5 October.</p>	<p>Where the trust is already registered for self-assessment or the trustees have incurred a UK tax liability but do not require to be registered for Self-Assessment, registration must be completed by 5 March 2018. In future years the deadline will be 31<sup>st</sup> January</p>

### Which trusts do not need to be registered?

- Trusts where the trustees do not need to file a tax return and have not incurred a liability to pay any of the relevant taxes; or
- A bare trust whereby the trustees do not need to register, as any tax liability will fall on the beneficiary.

### What is the Trusts Registration Service?

The Trusts Registration Service is a new service implementing the requirements of The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 which came into force on 26 June 2017.

It will provide a single online route for trusts and complex estates, to comply with their registration obligations and to obtain their Self-Assessment, Unique Taxpayer Reference.

### What information is required to complete the registration process?

The Trust Registration Service will ask for:

- details of the trust assets, including addresses of UK properties, and a market valuation of assets held at the date that the assets were settled; and
- the identity of the settlor, trustees, any person exercising effective control over the trust and the beneficiaries or class of beneficiaries (where individual beneficiaries have yet to be determined or identified).

The information required will include:

- name
- date of birth
- National Insurance number if they are UK resident, unless they are under 16 years old, or a UTR, if any
- an address and passport or ID number for non-UK residents, if they don't have a national insurance number.

### Will the register be publicly available?

No, but the information on the register may be inspected by certain law enforcement authorities including HMRC itself, the FCA and others.

### Do personal representatives need to register?

Only 'complex estates' need to register, although once the estate is administered and trustees take over in relation to any trust of residue or other trust under the terms of a Will, registration will be required at that time. A 'complex estate' is one the value of which exceeds £2.5m, or the tax due for the whole of the administration period exceeds £10,000 or the value of assets sold in any tax year from the date of death up to April 2016 exceeds £250,000, or £500,000 for deaths after April 2016.

### What information is required to be provided in relation to complex estates?

The following information is required:

- Estate: Name or title of the estate.
- Personal Representative: name; date of birth, telephone number, email address, address, national insurance number or UTR, and if not then passport or ID card number and expiry date.
- Deceased: name, date of birth, date of death, address, national insurance number or UTR, and if not then passport or ID card number and expiry date.

For more information about this case and how it may affect you, please contact Krithika Sahi or a member of the Rooks Rider Solicitors' Wealth Planning team.



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