

REMINDER: TRUST REGISTER DEADLINE IS MONDAY 5TH MARCH

Please remember that trusts with a UK tax liability must, in addition to a tax return, register with HMRC and submit the details of the trustees, beneficiaries and settlor before 5 March 2018.

As part of the EU's 4th Money Laundering directive and HMRC's update to their Trust Registration Process (TRS) HMRC have introduced a new online service for trusts and trustees to:

1. Register new trusts and estates with HMRC
2. Manage the new online register of trust information which requires an annual return in addition to the normal trust return.

New Trust HMRC Registration

New trusts and estates which are liable to pay UK taxes will need to register with HMRC through the online portal, paper forms have now been withdrawn.

Existing Trusts

Existing trusts will need to keep an up-to-date record of the trust information. Where there is a UK tax liability in the year, HMRC require an up-to-date record of this information.

Trust Information

An up-to-date register is required of the following details:

- Trust name and settlement date
- Trustees
- Beneficiaries, including Potential Beneficiaries
- Settlor(s)
- Protector, if any
- Paid Advisors, if any
- Trust Assets and Valuations as they entered the trust

For individuals, HMRC will require the name, date of birth and UTR or NINO where available. If there is no NINO or UTR known an address will be required, if the address is outside the UK then a passport or ID number will additionally be required.

If there have been no changes to the trust information then, if there is a UK tax liability in the year HMRC are still required to be notified that there has been no changes.

Unfortunately, HMRC have not transferred the existing information they hold onto the new portal. Trustees should make their best effort to complete the register, where information is unknown or not available such as where settlors have died or corporate entities are involved, then there are work arounds allowed.

The HMRC register is not accessible to the public.

Included Trusts:

These measures affect all UK trusts and non-UK trusts with UK tax liabilities:

- UK Unincorporated Charitable Trusts
- Non-Resident Trusts liable to Income Tax on UK source Income
- Non-Resident Trusts chargeable to Non-Resident CGT

UK tax liabilities can be in respect of the following taxes:

- Income Tax
- Capital Gains Tax, including Non-Resident CGT
- Inheritance Tax
- Stamp Duty Land Tax & Scottish equivalent
- Stamp Duty Reserve Tax

Excluded Trusts:

The following trusts are not affected and do not need to register:

- Bare Trusts
- Foreign Trusts with no liability to UK tax
- Closed trusts

Deadlines

Due to HMRC delays in the portal the deadline has been pushed back and penalties will not be issued before 5 March 2018. For future years the deadline will be 31 January for existing trusts.

Please contact your usual Sopher + Co contact for any additional information or support required.

