



MULBERRY BOW

Brief: New Trust Reporting Requirements

On 1st September 2022, HMRC reporting requirements for trusts are changing. This note serves as a brief introduction to our understanding of the planned changes. It is for information and discussion purposes only and should not be considered advice of any kind. Mulberry Bow does not offer tax or legal advice. *We therefore recommend you get tax and legal advice from a reputable professional.*

Due to anti-money laundering legislation, there are new trust reporting requirements coming in from the 1st September 2022. **Almost all trusts set up during lifetime will have to be registered via the Trust Registration Service (TRS), regardless of whether tax is payable.** This includes:

- All UK 'Express Trusts' ([unless specifically excluded](#)); AND
- Any 'Non-UK Express Trusts' which have a tax liability (because they 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)

Key exemptions from the new reporting requirements are:

- Non-Express Trusts (which are not set up by a settler, but imposed by Courts or created by legislation) are not required to register unless they have a tax liability.
- Trusts used to hold money or assets of a UK registered pension scheme (e.g. occupational pension).
- Life/Retirement Policies (providing policy *only* pays out on death, terminal illness, permanent disability or for healthcare costs of the person assured).
- Trusts holding insurance policy benefits received after the death of the person assured, providing the benefits are paid out from the trust within 2 years of the death.
- Some Charitable Trusts.
- 'Pilot Trusts' from pre-October 2020, containing less than £100 .
- Co-Ownership Trusts to hold shares of property/other assets which are jointly owned by 2 or more 'tenants in common'.
- Will Trusts, providing that they only hold estate assets for *up to 2 years* after the death.
- Some 'Financial' & 'Commercial' Trusts.
- Trusts held for bereaved children under 18 or '18-25' adults.

This list is not exclusive and further conditions apply. For details see: <https://www.gov.uk/hmrc-internal-manuals/trust-registration-service-manual/trsm23000>

Deadlines for Registration/Notification of Changes:

- ✓ Non-taxable trusts in existence *on/after* 6th October 2020 must be registered by 1st September 2022 (even if the trust has since been closed)
- ✓ Non-taxable trusts created after 6 October 2020 must be registered **within 90 days of being** created or otherwise becoming registerable, or by 1 September 2022 (whichever is later).
- ✓ Taxable trusts created on or after 6 April 2021 must be registered within 90 days of the trust becoming liable for tax or by 1 September 2022 (whichever is later).
- ✓ From 1st September 2022, **changes** to the trust details/or circumstances must be notified **within 90 days** of the change.

If the trust has incurred a UK tax liability, trustees should still comply with existing timescales and get tax advice as appropriate.