



## Online trust registration

HMRC has launched a new online trust registration service, replacing the paper 41G(Trust) form (which was used to register new trusts) and the ad-hoc process for trustees to notify changes in their circumstances.

This factsheet explains more about the new service and when trustees need to register.

### The trust registration service (TRS)

TRS allows HMRC to collect and hold information on trusts. Trustees of any new or existing trust need to update the register each year that the trust generates a 'tax consequence', and provide information on the parties to the trust, as well as the trust assets. So, annual reporting by the trustees will only be necessary if a liability to UK tax arises in that tax year.

The paper form 41G has not been accepted since April 2017.

Trustees need to determine if they have to register on the online trust registration service.

#### Generally

- Trusts holding no other assets other than onshore or offshore bonds are not required to register, unless, for example, a chargeable event arises or a chargeable occasion for IHT occurs.
- Trusts that hold collectives will have needed to register under the previous paper system, so this means a change in when and how information is provided.
- Bare trusts where any tax liability that arises, arises to the beneficiary rather than to the trust are excluded from reporting.

UK resident trusts with UK tax liabilities are required to register, as are trusts that are resident outside of the UK but have a UK tax liability.

The registration requirement does not apply to trusts that have closed, such as where the trust income and capital have been fully distributed to the trust beneficiaries.

### What information is required?

The register asks for:

- details of the trust assets including address(es) and values, and the tax years the trust needs to declare liability to income tax or capital gains tax; and
- the identity of the settlors, trustees, protector (if any), all other persons exercising effective control over the trust (if any) and the beneficiaries or class of beneficiaries.

The information required includes:

- name;
- date of birth;
- National Insurance (NI) number if they are UK resident – unless a minor; and
- an address and passport or ID number for non-UK residents, if there's no NI number

### Complex estates

The new service also provides a single point of access for personal representatives and their agents to register complex estates and update their records online, replacing the previous paper process for personal representatives to notify changes in their circumstances. Complex estates are also required to use the service to obtain a Unique Taxpayer Reference (UTR).

An estate is complex if:

- the value of the estate exceeds £2.5m;
- tax due for the whole of the administration period exceeds £10,000; or
- the value of assets sold in any tax year for date of deaths up to April 2016 exceeds £250,000 or £500,000 for date of deaths after April 2016.



## Online trust registration

### Timescales

#### New trusts

New trusts will be required to register with HMRC by 5 October of the tax year after either:

- the trust has been set up, or if later
- when it starts to make income or chargeable gains

#### Existing trusts

The timescales trustees of existing trusts need to complete and submit the registration depend upon whether the trust was already registered for self-assessment and what sort of tax liability is incurred.

Registered for self-assessment?	Tax liability incurred	Timescale
Trust already registered for self-assessment (for income or capital gains tax)	Incur relevant UK tax liability	31 January following end of that tax year
Trust not registered for self-assessment	Incurred either an income tax or a capital gains tax liability for the first time	5 October following end of the tax year
Trust not registered for self-assessment	Incurred inheritance tax, stamp duty land tax, stamp duty reserve tax, or a land and buildings transaction tax (Scotland) liability	31 January following end of the tax year

### In the first year of TRS

In the first year of TRS, to allow sufficient time to complete the registration for self-assessment and provide beneficial ownership information, trustees had until 5 January 2018 (rather than 5 October 2017) to comply. This only applied if the trust was not registered under self-assessment and had incurred either an income or capital gains tax for the first time.

If the trust was already registered, then the trustees had until 31 January 2018 to provide beneficial ownership information. (There was no extension to this deadline.)

### Penalties

If registration is late or there is a delay in updating the required information, HMRC can impose penalties;

- £100 – within three months late
- £200 – between three to six months late
- £300 or 5% of the total tax liability in the relevant year (whichever is higher) – more than six months late

No penalty will be charged where there is a reasonable excuse for the delay. Penalties won't be issued automatically and will be reviewed on a case by case basis.

#### If you only read one thing read this:

- A new online trust registration service has replaced the paper 41G(Trust) form.
- Trustees need to update the register each year if the trust generates a 'tax consequence'.
- Trusts holding no other asset than investment bonds are not required to register unless a chargeable event arises or a chargeable occasion for IHT occurs.
- Bare trusts where any tax liability that arises, arises on the beneficiary are excluded.

For more factsheets and product technical support, visit [illuminate.nucleusfinancial.com/technical-studio](http://illuminate.nucleusfinancial.com/technical-studio)

Scotland, NI and north west England



0131 226 9815

North east and south east



0131 226 9808

Midlands, south west and Wales



0131 226 9804

London and south



0131 226 9801