

CHAVEREYS

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Extension to HM Revenue & Customs Trust Registration Service

Not just for obvious trusts

Further to our previous mailings on this subject, the deadline of **1 September 2022** for registering further trust arrangements is now approaching. With effect from the above deadline, additional arrangements (see below) must be registered with HMRC.

UK Registerable Express Trusts

This means all UK resident *express* trusts, unless specifically excluded. An express trust is one created deliberately by a settlor (e.g. by deed or declaration of trust) and so excludes constructive or statutory trusts. This is no longer limited to trusts with a UK tax liability and so includes the following common examples:

- **Property for which there are individuals holding a beneficial interest who are not named on the Land Registry title**
- **Property held on trust as an asset of a partnership i.e. partnership property**
- **Bare trust/nominee accounts for cash**
- **Bare trust/nominee accounts for other investments**
- **Formal trusts where the trustees have powers over income and/or capital, but have not been required to register previously as they have no UK tax liability**

Non-UK Registerable Express Trusts

In addition, non-UK trusts are required to register if they:

- have a UK tax liability
- they acquire land or property in the UK
- or they have at least one UK resident trustee and they enter into a “business relationship” in the UK

Exclusions

There are a number of exclusions on which further guidance can be sought from your usual Chavereys contact. The common exclusions are:

- Charitable trusts, registered as such in the UK (or not required to register)
 - Cash bank accounts held for minors or individuals lacking mental capacity
 - Child Trust Funds and Junior ISAs
 - Property where the legal title holders and beneficial owners are the same people, or who only differ because of the legal limit of four on Land Registry title.
 - Trusts of a UK registered pension scheme
 - Trusts holding life insurance policies providing the policy only pays out on death, or critical illness
 - Will trusts for up to two years after death
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We will be taking steps to contact all clients who we believe are affected by the extension, however it is advisable to consider your own affairs as there may be arrangements of which we are unaware.

Once it is established that there is an arrangement in place that must be registered, the usual first step will be for the trustees to register with HMRC (although Chavereys can assist with this, if desired).
<https://www.gov.uk/guidance/register-a-trust-as-a-trustee>

Following registration, there is a requirement to notify certain changes to HMRC within 90 days (again Chavereys can assist with this, if desired).

Trusts which have a UK tax liability should already be registered with HMRC. Chavereys can assist if you believe there are any cases which are not yet registered, or require details to be updated.

This document is intended as a general guide and although Chavereys have made every effort to ensure accuracy, they cannot accept liability for any errors of fact or opinion.

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