

Trust Registration Flow Chart



TRS Registration Deadlines

- **Taxable trusts:** 31 January (or 5 October in YEAR OF FIRST CHARGE) following the end of the tax year in which the trust had a liability to UK taxation.
- **Non-taxable express trusts:** existing on or after 6 October 2020 must register by 1 September 2022.
- **Non-taxable trusts:** if created after 1 September 2022 must register within 90 days of creation.
- **Deadlines for notification of changes:** The information on TRS must be updated within 90 days of changes to the trust details or beneficial ownership. If the trust is taxable, you must declare the trust is up to date on an annual basis by 31 January.

Notes on Excluded Trusts

1. **Bereaved Minors and 18-25 Trusts:** A bereaved minor is a person under the age of 18 who has lost at least one parent or step-parent who, immediately before their death, had parental responsibility for the minor. Trusts for bereaved minors that meet the conditions of section 71A of the Inheritance Tax Act 1984 are excluded from registration as express trusts <https://www.legislation.gov.uk/ukpga/1984/51/section/71A>. If the Minor is under 18, any settled property that is applied for the benefit of a beneficiary must be applied for the minor and they must be entitled to all the income arising from the settled property, or no such income may be applied for anyone else. Once 18, they must become absolutely entitled to the settled property, any income arising from it, and any income that has arisen and been accumulated before that time. Age 18-to-25 trusts are similar to trusts for bereaved minors, but the beneficiary must receive absolute ownership of the settled property on or before their 25th birthday.
 - a. Intestacy: Trusts for bereaved minors can be created on intestacy (absence of a will), as these were not intentionally created by the settlor, trusts created in these instances are not express trusts and therefore not registrable express trusts for the purposes of TRS.
2. **Certain express trusts:** Sch3A of The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 sets out the types of express trusts that are not required to register if no UK tax liability <https://www.legislation.gov.uk/uksi/2017/692/contents/made>.
3. **Co-ownership trusts:** Trusts of jointly held property where the trustees and beneficiaries are the same persons. These trusts often follow the purchase of land and property and are excluded (eg holding as TIC). The proportions the property is held in as tenants in common are not relevant for the purposes of Registration on the Trust Registration Service (TRS).
4. **Commercial transactions:** Trusts arising from commercial transactions can be used to support a range of commercial transactions. Where their use is incidental or ancillary to the principal purpose of the transaction (for example, where their purpose is to provide confidence in the transaction), the trust may be excluded from the requirement to register.
5. **Life or retirement policies:** Trusts of life or retirement policies are subject to certain circumstances and may be excluded from registration as express trusts during the lifetime of the person assured. The policy must only pay out on the death, terminal or critical illness or permanent disablement of the person assured, or to meet the cost of healthcare services provided to the person assured. The exclusion can apply to trusts holding multiple policies so long as each policy within the trust meets the conditions above. However, where a trust holds any other policy not meeting the above conditions or any other non-insurance assets, the exclusion does not apply. It is not relevant for the purposes of the exclusion whether a policy is a whole of life policy or a term policy, so long as the conditions above are met.
 - a. Policies with surrender values: The general position is that trusts holding policies with surrender values can remain excluded from registration under Sch3A(4) until such time as the policy is actually surrendered. If a policy is surrendered and the cash sum is retained in the trust, the trust would be required to register from that point. A trust holding a policy excluded from registration during the life of the person assured continues to be excluded from registration if, following the death of the person assured, the trust receives the pay-out from the policy.
6. **Disabled person or persons trust:** Provided there is no UK tax liability, trusts where a disabled person is the beneficiary are excluded from registration as express trusts. The beneficiary must be a disabled person within the meaning given by Schedule 1A to the Finance Act 2005 <https://www.legislation.gov.uk/ukpga/2005/7/schedule/1A>. Additionally, disabled persons must be the sole beneficiaries of the trust.
7. **Personal Injury Trusts:** These must derive from payments made to a person as a result of a personal injury to them. Provided there is no UK tax liability these are excluded from registration as express trusts. The trusts funds must also be disregarded from capital under regulation 46(2) of, and paragraph 12 of Schedule 10 to, the Income Support (General) Regulations 1987 <https://www.legislation.gov.uk/uksi/1987/1967/regulation/42/made>.
8. **Pension Scheme Trusts:** Trusts holding sums or assets of a pension scheme already registered in the UK for the purposes of Part 4 of the Finance Act 2004 are excluded from registration as express trusts (Sch3A(3) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017). Any other pension scheme not registered under Part 4 Finance Act 2004 is still required to register on the Trust Registration Service (TRS). To avoid unnecessary registrations on TRS, registration is not required for trusts holding sums or assets of a pension scheme pending approval of registration to register on TRS in the interim, so long as the trustees have a genuine expectation that the trust will be accepted for that registration.
9. **Registration of assets:** Trusts for the purposes of the registration of assets (for example, sale of land or shares) require specific formalities to be carried out in order to transfer legal title. Where beneficial title passes on completion, but legal title does not pass until those formalities are carried out, the legal title may be held on trust for the relevant party to protect their interests pending completion of those formalities. This exclusion applies to a trust created on the transfer or disposal of an asset, where the purpose of the trust is to hold the legal title to the asset on trust for the person to whom the transfer or disposal is being made until the time when the procedure required by law to effect the transfer or disposal of legal title is completed.
10. **Will trust:** A trust created by a Will that holds only property from the estate of the deceased person is excluded from registration as an express trust for a period of two years from the date of death. Trusts set up by Will either during or before the end of the administration period are not required to register until the assets have been transferred from the estate to the trust and only from two years following the date of death. If a Will holds a specific legacy to be held on trust it will be treated as having commenced with effect from the date of death of the deceased person. If the trust is still in existence at two years from the date of death, or if at any date beforehand the trust accepts an addition of property from outside the estate, it will then need to register from that date.
11. **Offshore trust:** A non-UK trust that (1) receives no income from any UK sources, (2) has no UK assets on which there is any UK tax liability, (3) has no interest in land in the UK or (4) has entered into a business relationship with a relevant person, where at least one of the trustees is resident in the UK and the trust is not an EEA registered trust **does not have to be registered**. A trust will not count as a non-UK trust if (1) all trustees are resident in UK or (2) at least one of the trustees is resident in the UK **and** the settlor was resident and domiciled in the UK at the time when the trust was set up or when the settlor added funds to the trust. NB: the requirement to register is not triggered by a UK tax liability arising to trustees from non-UK assets or when a trust owns shares in a company and that company owns UK assets which trigger a UK tax liability.