

June 2023

TRUST REGISTRATION – THE RULES

HM Revenue and Customs have been tightening up on trusts over the last few years and there is requirement that all trusts need to be registered using the Trust Registration Service. This is separate from self-assessment and makes information available to HMRC as to the details of settlors, beneficiaries and the assets introduced into the trust. This information also must be updated annually for tax-paying trusts.

New trusts need to be registered within 90 days of creation. Trusts that become taxable must be updated on the Register within 90 days of incurring a tax liability. Any changes in the registration information must be updated also within 90 days.

Trusts which do not need to be registered broadly include:

- a) Pension schemes
- b) Life insurances
- c) Charities
- d) "Pilot" trusts set up before 6 October 2020 which hold no more than £100
- e) Co-ownership trusts for assets jointly owned by two or more people
- f) Will trusts provided they are closed within two years of the date of death
- g) Trusts holding client money

It also appears likely that HMRC will bring forward an amendment to allow children's savings accounts to be excluded from these requirements.

A common situation is where a trust is created in which one spouse has left their share in the matrimonial home on trust for the surviving spouse to occupy during their lifetime. This kind of trust, which is common, needs to be registered.

Should you need any further advice on this matter, please contact **Duncan Gardner** on **023 9248 4356** or email d.gardner@morriscrocker.co.uk

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