



Trust Register

The rationale for the Trust Register

On 26 June 2017, The Money Laundering, Terrorist Financing and Transfer of Funds (information on the Payer) Regulations 2017 (the "Regulations") came into effect in order to implement certain requirements of the Fourth Money Laundering Directive (4MLD).

One aspect of the Regulations is the introduction of a register of beneficial ownership information in relation to trusts with a view to providing greater transparency and aligning the trust registration process with HMRC's digital strategy.

The register is not open to the public but will be made available to be inspected on request by certain law enforcement agencies such as the police forces, the Serious Fraud Office and the Financial Conduct Agency.

Trustees will be under an obligation to provide certain details to HMRC for inclusion on the trust register in respect of "relevant taxable trusts".

Relevant Trusts

This term encompasses all "express trusts" i.e. trusts that were deliberately created by a settlor, expressly transferring property to a trustee for a valid purpose. This would cover all discretionary and life interest trusts but not trusts where there is only a transfer of legal ownership e.g. a bare trust.

To be a relevant trust in any particular tax year, the trust must be:








1. A UK resident trust ; or
2. A non-UK resident trust which receives UK source income or has assets in the UK on which it is liable to pay any of the following:
 - a. Income tax
 - b. CGT
 - c. IHT
 - d. SDLT (or Scottish equivalent – land and buildings transaction tax)
 - e. SDRT

An offshore trust which is liable to pay any of the above taxes in relation to UK assets or UK income will be a "taxable relevant trust".






Trustee obligations regarding the register

In relation to any taxable relevant trusts, trustees are required to provide certain information regarding the trust and its beneficial owners. The term "beneficial owner" includes the settlor, the beneficiaries, the trustees and any individual with control. It also includes persons named as potential beneficiaries, for example in a letter of wishes.

In respect of the trust, the following information is required:







-  Full name of trust
-  Date set up
-  Details of trust assets and value
-  Country of residence of trust
-  Place trust administered
-  Trustee address
-  Name of advisors providing legal, financial or tax advice to trustees.

In addition, the following information must be provided regarding all beneficial owners who are individuals:

-  Full name
-  NI number or Unique Tax Reference (or if none usual address)
-  If the address above is outside the UK – passport number or ID card number
-  Date of birth
-  Role in relation to trust (settlor/beneficiary etc.)

The above information is not needed if the beneficiaries have not been determined. In such cases a description of the class of beneficiaries or potential beneficiaries will be required.

In respect of any beneficial owners who are legal entities, the following must be provided:

-  Corporate or firm name
-  Unique Tax Reference
-  Registered office
-  Legal form and law of governance
-  Register of companies under which entity is entered
-  Role in relation to trust

The above information must be provided by 31 January 2018 or by 31 January after the tax year in which the trustees are first liable to pay any of the aforementioned taxes in relation to UK income or UK assets.

The trustees must provide updated information in respect of each year during which the trust was a relevant taxable trust.

If any of the information previously provided changes (other than asset values) the change and the date it occurred must be notified to HMRC by 31 January after the tax year in which it occurred unless in that year the trust is not a taxable relevant trust, in which case notification is required by 31 January after the tax year in which the trusts next becomes a taxable relevant trust.

Practical aspects

In terms of registering a trust with HMRC, the new trust register replaces form 41G (Trust) which is now obsolete. Trusts that have previously completed a form 41G (Trust) still need to comply with the register if the trust is a "relevant taxable trust".

It will now be necessary to complete the register in order to obtain a Unique Tax Reference for a trust. New trusts should register by 5 October following the tax year the trust first has tax exposure.

Forms under the register are to be in a saveable format for up to 28 days. The use of the register is being phased in and currently only trustees can use the register. It is anticipated that agents will be able to use the register by October 2017.



By Mandy Connolly,
Associate Director
LTS Tax Limited

For further information please contact:

Paul O'Neill CTA

Managing Director, LTS Tax Limited
DD: +44 (0)1481 755882 T: +44 (0)1481 755862
E: paul.oneill@lts-tax.com

Simon Graham CTA

Director, LTS Tax Limited
DD: +44 (0)1481 755880 T: +44 (0)1481 755862
E: simon.graham@lts-tax.com

Francis Snoding CTA

Director, LTS Tax Limited
DD: +44 (0)1481 755881 T: +44 (0)1481 755862
E: fran.snoding@lts-tax.com

Mandy Connolly CTA

Associate Director, LTS Tax Limited
DD: +44 (0)1481 755872 T: +44 (0)1481 755862
E: mandy.connolly@lts-tax.com



LTS Tax Limited
PO Box 20, Les Echelons Court, Les Echelons, St Peter Port, Guernsey, GY1 4AN
T: +44 (0)1481 755862
www.lts-tax.com