

Trust Registration Service (TRS)

Guidance Notes

ProTrust 
Trust Administration

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Introduction

This leaflet is a brief guide to the new TRS registration requirements for certain types of Trust.

Some common questions

1. What are the Trustee Obligations to Register the Trust with the HMRC Trust Registration Service?

UK Government have set out a registration requirement for all main types of Trust (including discretionary trusts and life interest trusts). The obligation is on the Trustees to register any Trust that is 'active' and holding a value of £10 or greater. Any Trust that is an Income tax-paying trust is already deemed active and under an obligation to be registered. However, the registration requirement has now been extended to all main types of Trust, and to do so by no later than 1st September 2022.

This includes the following:

- any trusts or settlements which are ancillary to Wills and which have been created post October 2020, including those cases where the testator is still alive;
- any Will-trusts which have been activated following the death of the testator; and
- 'lifetime' property trusts where the value is placed in a protected trust structure;
- And other Trusts that have been activated following the death the value is held in 'loans' rather than actual money or property.

If we are specifically sending you these notes, it means that we have reviewed your Trust and that registration is required.

2. What is the process of registration?

The process is relatively straightforward but it requires a degree of expertise in order to ensure that the Trust classification is correctly registered and that the parties (Settlor, Trustees and relevant Beneficiaries) are included correctly.

The legal responsibility is on the Trustees to complete the process. If there is a professional trustee, then the duty primarily falls on their shoulders to ensure that the necessary information is provided. For Trusts that have Robert as a trustee, he will usually delegate to this firm his obligations as to the registration requirements for the Trust.

The Registration will require:

- Details and identity of the Trust;
- The identity of the trustees and details of all other persons exercising effective control over the trust (if any) and some details of named beneficiaries and basic details of any class of beneficiary. For named beneficiaries, this includes the full names, dates of birth and national insurance numbers.

There are strict deadlines for registration and further information can be found online at <https://www.gov.uk/trusts-taxes/trustees-tax-responsibilities>.

3. What are the consequences of registration?

There is no tax payable for simply the registration process of a trust.

What it does mean is that HMRC/UK Government have a record of the existence of the Trust. It may assist them in future legislation and interpreting how to administer future taxation for Trusts.

Likewise, by registration, it is a formal confirmation that the Trust exists. Generally, this will be seen as a positive step rather than a negative one. It means that the Trust cannot be ignored, it is in play and active (so to speak). It should assist with legal validity/viability of the Trust and ensure that good practice requirements help in the upkeep, maintenance of the Trust is undertaken – for the benefit of all connected with it.

4. What are the Costs to register the Trust at the TRS?

There is no fee paid to HMRC or UK Government for registration. Our standard charge for Trusts where we are acting in the general administration of the Trust, we will charge a fee of £95+vat to register the Trust at the TRS which will include all aspects of initial registration. For all other trust registrations (ie where we are not acting generally) our standard charge is £195+vat.

5. Does the Trust require a Review before Registration?

Before we register the Trust, we suggest that we have a review and a discussion/meeting (in person or by zoom call) with the Trustees (and any primary beneficiaries) by way of a refresher on the following:

- The initial purposes for the Trust and why it was set up/created;
- What benefit the Trust may now serve;
- Whether any amendments/reviews or documents are required to keep the Trust's purposes up to date with the initial requirements;
- To confirm the tax treatment for the Trust as it stands currently as well as a view on how the Trust might in future be interpreted insofar as UK taxation is concerned, such as for Inheritance Tax;
- What, if the Trust serves no useful purpose, can be done to close or terminate the Trust.

We do provide a detailed full review and advice service for the Trust prior to registration. This costs £295+vat (covering all of the trusts relating to you) and shall include the following work, inclusive of the charge for registration:

- A review prior to meeting/discussion;
- A meeting in person or zoom call discussion;
- A follow up detailed written advice covering the following:
 - (i) A summary of the Trust(s);
 - (ii) A summary of the reasons for creating the Trust(s);
 - (iii) UK HMRC requirements and TRS obligations;
 - (iv) Advice on whether to retain the trust, terminate the trust or vary the scope of the Trust
 - (v) Any ongoing requirements such as future reviews/updating; and
- TRS Registration.

We hope this guidance is helpful. Any questions just let us know.

Contact us for more guidance

For more information and for an initial discussion for advice please contact us on:

Email: info@protrustestateplanning.co.uk

Telephone: 0207 113 5760