

# Trusts – New Legislation

**You may or may not be aware that the UK Government is implementing a new legal requirement in early 2020 for all Trusts to be registered on a central government list. This will be called the Trust Registration Service (TRS) and is likely to be administered via an on-line portal operated by HMRC.**

This has come about in relation to the continued global fight against both Money Laundering and the financing of terrorism. Whilst the UK is classified as “low risk” in relation to these areas, the UK has still agreed to implement these requirements.

The registration requirements will mean that certain information will be required as part of this process:

- Details of the settlors
- Details of the trustee’s
- Details of the beneficiaries (or class if not individually specified)

The information required for each of the above is likely to be:

- Name
- Date of birth
- Nationality
- Country of residence

The government may also choose to collect other information, for example national insurance or passport numbers, but no decisions have yet been finalised.

The Government has made it clear that the responsibility for the registration of a Trust lies with the Trustee’s themselves. Failure to register, and to subsequently update the register where changes are made to a Trust, will likely incur penalties in the form of fines.

There are various “time-lines” as to when registration is to be completed and are currently proposed as follows:

Advisers (and many other service providers\*) will have a new duty from 10th March 2020 to obtain proof that a Trust has been registered with the TRS *before* conducting any new business with the Trust. This is likely to be in the form of an extract from the trust register provided by the trustees. Without this extract confirmation, we (and other service providers) will be unable to provide services to the Trust.

- **Existing Trusts** - as at 10th March 2020 - will have until 31st March 2021 (although you may need to register in advance of this if you require, or have, a new business relationship after 10th March 2020)
- **New Trusts** - created on or after 1st April 2020 - the trust should be registered within 30 days of creation
- **Amendments & changes to Trusts** – any changes (e.g. change of Trustee(s), change of Beneficiaries) must be updated and registered within 30 days

The final details of how this registration process is to be undertaken will be provided by the Government and HMRC by the end of the year. We wanted you to be aware of this new requirement so that you are prepared in advance to act when required.

**As the Government provides further guidance in due course, it may be that we are able to provide a service that will help you and your Trustee clients, facilitate the registration process.**

\*Financial Institutions (Banks/Building Societies), other Financial Services Providers, Accountants, and Solicitors