

# Your guide to the UK Trust Register changes

## Using this guide

This simple guide is for financial advisers who have trust business, and aims to help you understand the UK Trust Register changes that came in on 1 September 2021, how you and your clients may be impacted, and what you need to do.

## Background

The Trust Register is a response to the Fifth Money Laundering Directive (5MLD) which is an EU directive for tackling money laundering and terrorist financing.

It expands on the requirements laid out in the EU's Fourth Money Laundering Directive (4MLD), which introduced the idea of centrally recording beneficial ownership of certain legal ownership structures - such as trusts. 5MLD expands on those requirements with the aim of creating greater transparency.

## What are the changes?

- Previously trusts only needed to register on the UK Trust Register if they incurred a UK tax liability. However, the Trust Register has been expanded and trusts that fall within scope (ie all UK resident express trusts) will need to register. This means any trust where a settlor has established a trust by their own intention, for example, using a Discretionary Gift Trust deed.
- It is the responsibility of the trustee to register the trust - this cannot be done by Quilter International. However, it is possible for you to register your client's trust on their behalf as an agent. Information on how to do this can be found here: <https://www.gov.uk/guidance/register-your-clients-trust>
- If the trustee does not register by the HMRC deadline, they may receive a fine.

This table summarises who needs to register:

	Scenario	Registration?	Applies if Quilter International Trust Company is appointed as the corporate trustee
1	All trustees are UK resident	✓	✗
2	There is at least one UK resident trustee <b>AND</b> the settlor is resident	✓	✗
3	There is at least one UK resident trustee <b>AND</b> the trust enters a UK business relationship	✓	✗
4	The trust holds UK property or land	✓	✗*
5	The trust holds UK assets <b>AND</b> has a UK tax liability	✓	✗*
6	Any other non-UK trust which does not fall within 1-5 above	✗	✓

\*The trust holds a life assurance/redemption bond based in the Isle of Man / Republic of Ireland.

Please note, there are some trusts which are exempt, and do not need to register. These include trusts imposed by statute, UK registered pension trusts, charitable trusts regulated in the UK, pure protection trusts, trusts for vulnerable beneficiaries or bereaved minors, and personal injury trusts.

## Quilter International Trust Company

Where Quilter International Trust Company is appointed as the corporate trustee, the trust falls under scenario 6 and therefore scenarios 1-5 do not apply and **NO** UK registration is required.

## Will this impact my clients?

If you are a UK adviser, then it is highly likely that you will have clients impacted. According to the Society of Trust and Estate Practitioners (STEP) over 2 million UK trusts may now need to register.

If you are an adviser based outside the UK it could still impact your clients, for example if all the trustees of the trust are UK resident (see table on previous page).

## Registration deadlines for new and existing trusts within scope of the Trust Register:

Scenario	Registration deadline
Existing trusts created before 1 September 2022	- 1 September 2022 (or within 90 days of creation, whichever is the later)
New trusts created on or after 1 September 2022	- Within 90 days of creation

## How can I help my clients?

### Remind them of their responsibilities and the deadlines to register:

- Make them aware of the changes and that it is their responsibility to register
- Explain that HMRC may impose penalties for late registrations
- Encourage them to prepare early, so that they have plenty of time to source their documents and avoid potential penalties

### Guide them on who should register:

- The lead trustee should register at [www.gov.uk/guidance/manage-your-trusts-registration-service](http://www.gov.uk/guidance/manage-your-trusts-registration-service)

### Help them find the information they need to register:

- Stress that the information required is all current and easily accessible from their own records
- Provide them with Quilter International's UK Trust Register client guide available from our literature library

Most of the information they will need to complete the Trust Register and where they can find this information is listed below:

Information required	Where it can be found
The trust details (name and date)	- Establishing trust deed
The trustees' names and details such as date of birth and address	- Establishing trust deed / deeds amending the trustees - Ask trustees for personal details
The beneficiaries' details such as classes of beneficiary, or for named beneficiaries; name, date of birth and address	- Establishing trust deed / deeds amending the beneficiaries - Ask beneficiaries for personal details
Details of the settlor(s) such as name, date of birth, country of residence and date of death (if applicable)	- Establishing trust deed - Ask the settlor for personal details - Death certificate (if applicable)
Assets held within the trust e.g. valuations	- Trustee or Financial Adviser records

## A note for trusts not resident in the UK

5MLD is a European directive which is to be transposed into local law by the member states. Though your client's trust may not need to register with the UK Trust Register, the trustees may need to consider whether they would need to register in any other country. Each country will have its own rules, generally trusts may need to register where the settlor, trustee or named beneficiary is resident, or, where the trust holds assets or has entered a business relationship in a country.

This document is based on Quilter International's interpretation of the law and HM Revenue & Customs practice as at September 2021. We believe this interpretation is correct, but cannot guarantee it. Quilter International cannot accept any responsibility for any action taken or refrained from being taken as a result of the information contained in this document.

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