

HMRC deadline dispensation for trustees

October 2022

Trustees who missed the September deadline to comply with the expanded scope of the Trust Registration regime have been thrown a lifeline by HMRC. HMRC will not penalise those who missed the cut-off date through ignorance.

The [new rules](#) were introduced as part of the UK's implementation of the Fifth Money Laundering Directive. The rules aim to counter terrorism and money laundering with improved transparency on the ownership of assets held in trusts. In addition, they extend the scope of the trust register to all UK express trusts and some non-UK trusts regardless of whether they pay tax.

The rules exclude some trusts with a limited purpose and where their structure is unlikely to be used for money laundering or financing terrorism. However, more trusts are required to register, including UK resident trusts without UK tax liabilities and most bare trusts.

For taxable trusts, trustees must provide more information on beneficial owners, including the settlor, trustees, beneficiaries, and other parties who exercise control over the trust.

This information includes the name, month and year of birth, country of residence, nationality and details of their beneficial interest in the trust. Trustees must keep the trust's record on the register up to date, with any changes notified within 90 days from when they took place.

Our head of private client, [James McMullan](#), said:

"The easing by HMRC means penalties are unlikely to be imposed for those who missed the September deadline unless they acted deliberately. But the clock is ticking for all trustees to ensure they comply with the new requirements and avoid potential fines. Penalties can be up to £5,000 per trust."

If you are involved in a trust and are not aware of any action having been taken, or are unsure whether you need to comply, it really is time to act swiftly and get specialist advice."

Contact James and his team today.

James McMullan
020 7299 6902
james.mcmullan@riaabg.com
www.riabarkergillette.com



Note: This article is not legal advice; it provides information of general interest about current legal issues.

