



> Independent Financial Advisers

## Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017

This came into force on 26 June 2017 and it places a 'greater obligation of transparency on trustees'. The regulations require that trustees of both existing and new taxable 'relevant trusts'\* maintain accurate and up-to-date written records of all beneficial owners.

### The new rules: What you need to do

\*A taxable relevant trust is any trust which is liable to pay any UK tax in the tax year.

This means that once the trustees are required to submit a tax return to HMRC, they are also obliged to provide information to the online trust register on beneficial owners.

This information must be provided on or before 31 January after the tax year in which the trustees were first liable to pay tax.

Beneficial owners include not just named beneficiaries, but any potential beneficiary named in a letter of wishes or other relevant document.

Under a **discretionary trust** if a class of beneficiaries has been included, the trustees just need to keep a record of a description of the class of persons who are beneficiaries or potential beneficiaries under the trust.

However, if the settlor has indicated that certain beneficiaries should only benefit if other named beneficiaries die, then the trustees do not need to include them in their records.

When reporting, the trustees will need to provide the following:

- Full name of the trust and date it was set up
- Statement of accounts identifying the value of each category of trust assets (including addresses of any properties held in the trust)
- Country where trust is resident for tax
- Place where trust is administered
- Contact address for trustees
- Name of any advisers who are being paid to provide legal, financial, tax or other advice to the trustees
- In respect of an individual beneficiary, their:
  - Name
  - National Insurance Number (or unique taxpayer number and usual residential address if they don't have one)
  - If overseas the trustees must hold the passport number, country of issue and expiry date (or an equivalent form of identification)
  - Date of birth
  - Nature of their role in relation to the trust

## When is this information required?

### **Where the only asset held by the trust is an investment bond:**

The trustees will only need to provide information to HMRC online trust register when a chargeable gain occurs, **and** the **trustees** are liable for the tax or when a periodic or exit charge for Inheritance Tax is payable.

### **Where the trust holds collective investments:**

The trustees will need to provide information to HMRC online trust register once any interest or dividends are generated.

## Further information

Further information concerning trustees' tax responsibilities and how to register can be found at:

<https://www.gov.uk/trusts-taxes/trustees-tax-responsibilities>