New Quadrant
PRIVATE OFFICE — LEGAL, TAX & TRUSTS

Trust Registration Service Changes in 2026

What Trustees Need to Know

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The Trust Registration Service (TRS) has undergone a number of important changes from 30 June 2026, reflecting the government's ongoing efforts to improve transparency while reducing unnecessary compliance obligations for lower-risk trusts.

These changes affect both UK and non-UK trusts and may mean that some trusts now need to register for the first time, while others may no longer be required to remain on the Register. Trustees should review their arrangements carefully to ensure they continue to meet their obligations.

Why Have the Rules Changed?

The reforms have two main objectives:

- **To enhance transparency** around higher-risk trust structures, particularly those with overseas connections and interests in UK property.
- **To reduce administrative burdens** for smaller, lower-risk trusts

Non-UK Trusts Holding UK Property

One of the most significant changes affects certain non-UK trusts that own UK land or property.

Previously, many offshore trusts that acquired UK property before **6 October 2020** did not need to register unless they incurred a UK tax liability. From **30 June 2026**, these trusts must register on the TRS if they continue to hold that property, regardless of whether they have a liability to UK tax.

This change is expected to bring a substantial number of long-established offshore family trusts into the TRS regime for the first time.

A transitional period applies, giving affected trusts until **1 September 2027** to complete their registration.

New Exemption for Low-Value Trusts

To reduce compliance requirements for smaller, lower-risk arrangements, a new exemption has been introduced for certain low-value trusts.

To qualify, a trust must:

- Have no liability to relevant UK taxes;
- Hold no UK land or property;
- Have accumulated assets of no more than **£10,000** since creation;
- Generate annual income of no more than **£5,000**; and
- Hold no appreciable assets (such as artwork, jewellery or antiques) worth more than **£2,000.**

Trusts that meet these conditions may not need to register and, in some cases, existing registrations can be removed from the TRS.

SDRT No Longer Triggers Registration

From **30 June 2026**, a liability to **Stamp Duty Reserve Tax (SDRT)** alone is no longer sufficient to create a trust registration requirement.

This change removes an administrative obligation that often-affected trusts with otherwise limited UK tax exposure.

Changes for Death-Related Trusts

The new rules also simplify registration requirements for trusts arising on death.

Historically, trusts created by a Will benefited from a two-year grace period before registration was required. However, other trusts connected with an estate administration could become registrable much sooner, creating inconsistency and confusion.

The revised rules align the treatment of several types of death-related trusts, which now also have the two-year grace period, including:

- Co-ownership property trusts;
- Trusts arising under **section 34 of the Trustee Act 1925** (where land held by more than four people is held on trust) and registration has been triggered by the death of a trustee; and
- Trusts created by deed of variation during the administration of a deceased person's estate.

These changes should make compliance more straightforward for executors, trustees and families dealing with the administration of an estate.

Penalties for Non-compliance

HMRC's overall approach to penalties remains largely unchanged.

There is currently **no automatic penalty for late registration**. However, HMRC may issue warning letters and can impose penalties where trustees repeatedly fail to comply with their obligations or ignore requests to register or update trust information.

In more serious cases, penalties of up to **£5,000** may apply.

Trustees should therefore ensure that registration requirements are reviewed regularly and that any changes to trust details are reported promptly.

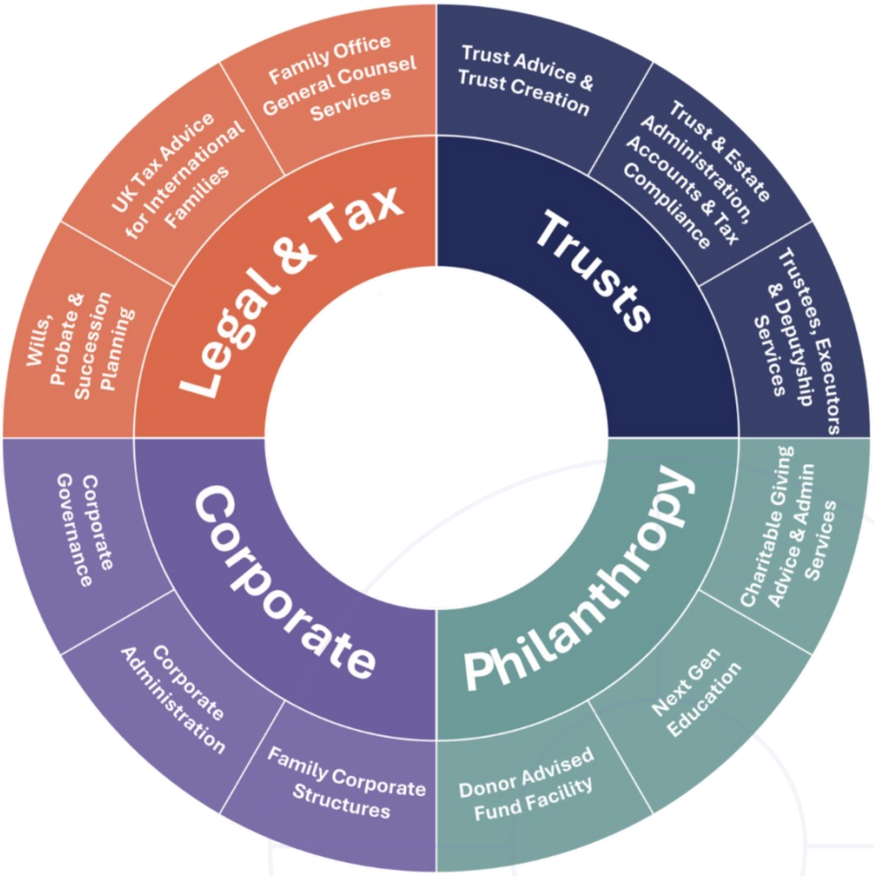
How We Can *Help*

The TRS rules continue to evolve, and determining whether a trust is required to register can be complex, particularly where offshore structures, estate administrations or historic trusts are involved.

If you are unsure whether your trust is affected by the 2026 changes or would like assistance with registering or updating a trust on the TRS, please get in touch with our team. We would be happy to help.

NQ's Service Wheel

Joined up advice



Bringing legal & tax, trust, corporate and philanthropy expertise together under one roof is something few firms can genuinely offer, and it lies at the heart of what makes New Quadrant different. Each of our four disciplines has been built not to stand alone but to complement the others, so that every piece of advice draws on the full breadth of our firm. Clients benefit from a single, coherent perspective on their affairs — one that anticipates how a decision in one area will affect the others, rather than treating each in isolation.

Get in Touch

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