

**Guidelines
For Club & Hut Managers
No 18.1**

TRUSTS – REGISTRATION WITH HMRC

Scope and context

To combat money laundering, trusts with some exceptions must be registered with HMRC by 1st September 2022. There are penalties for late registration. Currently there is a period of grace because legislation was brought into law by regulation and so few trustees were aware of its existence until recently.

Even “bare trusts” must be registered. Clubs may hold their huts in bare trusts because they are unincorporated organisations and therefore they do not have a legal personality like a company. Legal title to their huts will be vested in trustees (between two and four trustees) who will hold the property on behalf of their membership.

Note:

Express trust – one where the “settlor” formally establishes a trust into which he/she transfers assets for the benefit of other persons or an organisation – for example - a club for its members. The deed establishing the trust will appoint between two and four trustees who will hold and manage the assets for the trust’s beneficiaries.

Bare trust – is where property is vested in the names of between two and four members of an unincorporated club who will hold it on behalf and for the benefit of members of the club.

Penalties

Up to £5,000 if you deliberately fail to register the trust on time or fail to keep the register up to date.

The Registration Process

Registration details required:

- The name of the Trust
- Date when the trust was created
- Whether or not the trust is an express trust
- Details of UK land or property the trust purchased – refer to the trust deed (or trust documents)

Lead trustees

All trustees are equally legally responsible for the trust but you must nominate one “lead” trustee to be the main point of contact for HMRC.

The lead trustee will receive:

- The trust’s Unique Tax reference (UTR) if registering a taxable trust;
- The trusts’ Unique Reference Number (URN) if registering a non-taxable trust.

Contact information which must be kept up to date

Lead trustee’s details:

- Full name
- Date of birth
- National insurance number
- Address
- Country of residence
- Country of nationality
- Mental capacity?

The other trustees

- Name
- Date of birth
- Country of residence
- Country of nationality
- Mental capacity?

Beneficiaries “Club members”

Organisation

Details of any organisation involved in the trust

Land and property

Details of any land or property purchased by the trust and its estimated value.
Money held by the trust.

Registration

Before you can register as a trustee – you will need to have an **Organisation Government Gateway user ID and pass word.**

Note: This ID is different from that of an individual ‘s Government Gateway user ID and pass word.

Trust liable to tax?

If so HMRC will provide the lead trustee with a UTR for filing Self-Assessment tax returns. If the trust is not liable to tax then the lead trustee will need an URN.

This is obtained by logging back into the service following submission of the registration.

For registration purposes the lead trustee will need to provide HMRC with their:

- Email address
- Full name
- Phone number – land line/ mobile phone number

Following registration

If the trust is liable to tax, HMRC will send the lead trustee a UTR usually within 15 working days. You will need the UTR to start filing Self-Assessment tax returns.

If the trust is not liable to pay tax, you can get your URN by logging back into the service after you have submitted your registration.

Example – Registration of a Trust by a Club

Background

Edge Mountaineering Club (Edge MC) was formed in 1965. On 15th November 1972 the club purchased Ty Coch, a rundown property in Snowdonia for £2,000. The conveyance vested the property in the names of the two members who purchased the property on behalf of the club – Alan Bell and John Smith. Their details:

Alan Bell, born 10th March 1950

John Smith, born 12th June 1947 – he died on 11th May 2020

Current trustees:

Robert Johnson, born 6th March 1975

Angela Collins, born 12th August 1980

Property – Ty Coch – This much improved property is now worth £200,000

Note: the property may be vested in names of between two and four trustees.

Registration

Note: You need to allow yourself an hour to an hour and a half for the registration. You need to make sure you have all the individual details of the trustees and settlors before you start.

Government Gateway ID

Before you can register the trust you need to create a Government Gateway ID for the organisation. A club may already have one if its treasurer has had to file anything with HMRC.

Email HMRC to obtain the confirmation code. This code remains live for 30 minutes whilst you fill in the required details. These include the creation of a pass word and then you get a Government Gateway user ID number. You then provide additional security information and are sent an access code which remains live for 15 minutes.

Registration – details required:

Name of the trust – Edge Mountaineering Club

Date created- 15th November 1972 with the purchase of the property Ty Coch for £2,000 – now worth £200,000.

Trust

The trust is not an Express trust – it is bare trust. It was created by the conveyance of the property to those members who purchased the property on behalf of the club and its members. (Alan Bell and John Smith)

Trustees

Lead trustee

Robert Johnson – born 6th March 1975, National Insurance number 1000000,

Email address – AAA@AA.AA

Address – 10 Acacia Avenue, Newtown

UK resident, British national, Mental capacity – of sound mind.

Other trustee (s)

Angela Collins – born 12th August 1980, UK resident, British national, Mental capacity – of sound mind.

Settlor (s)

Alan Bell – born 10th March 1950, UK resident, British national, Mental capacity – of sound mind.

Deceased Settlor – John Smith born 12th June 1947, Died 11th May 2020, UK resident, British national,

Beneficiaries

Members of the Edge Mountaineering Club.

On completion of the registration process

You will receive the registration number of the trust.

URN (Unique Reference Number)

You will get an URN which is an HMRC number (even if the club/organisation does not file tax returns) by signing out and then signing back in again using the Government Gateway ID that is registered to the trust.

No tax liability

Useful references

www.gov.uk/guidance/register-a-trust-as-a-trustee

www.sportandrecreation.org.uk/news/industry/trust-registration-service-and-unincorporated

Hut Guidelines

These guidelines have been produced by the Huts Group of the British Mountaineering Council and the Huts Advisory Group of Mountaineering Scotland to assist those operating mountain huts in Britain.

Contact the BMC Huts Group by e-mail – huts@thebmc.co.uk or telephone 0161 445 6111.

Contact the M.Scot Huts Advisory Group by e-mail – huts@mountaineering.scot

Websites: www.thebmc.co.uk and www.mountaineering.scot

URLs: If any of the URLs (web addresses) given on the preceding pages are found to be 'dead links' please notify huts@mountaineering.scot or huts@thebmc.co.uk

Disclaimer: This guideline was revised on the date shown below and the information herein is believed to be accurate at the time of writing. No responsibility can be accepted for any loss of benefit or entitlement arising through use of these guidelines – they are not intended to be definitive.

Version no.1 – November 2022

These guidelines are updated periodically; to check on the currency of this version go to one of the websites above where the latest version will always be displayed.