

# The Trust Registration Service: How will your club be affected?

## What is the Trust Registration Service (TRS)?

The TRS is a register of the beneficial ownership of trusts created to combat money laundering. The TRS will require registration by some unincorporated clubs which hold an interest in land or other assets via trustees.



### Does the TRS apply to your club?

Sports clubs which are structured as unincorporated associations do not themselves have legal personality. In practice, this means that their property and assets are held by individuals for the benefit of the club's members or for the club's purposes. Depending on the club's structure, such interests may be held in the form of or create a trust. The TRS requires these trusts to be registered in some circumstances.

In summary, if your club is:

1. an unincorporated association;
2. owns property or other assets, whether held via its management committee or holding trustees; and
3. is not a registered charity

then the club will likely be required to register the trust with the TRS.

### What about clubs which are CASCs or charities?

The requirement for registration does not apply to charities as they are excluded.

However, this exclusion does not extend to community amateur sports clubs (CASCs), so CASCs and other not-for-profit clubs would still have to register.

### What do you need to do?

You can access the TRS via the following link:  
[Sign in using Government Gateway - GOV.UK \(access.service.gov.uk\)](https://www.gov.uk/sign-in-using-government-gateway)

Once signed in using your Organisation Government Gateway user ID and password, you will be asked to provide information about the trust. One trustee must be nominated as a "lead" trustee who will be the main point of contact for HMRC. Specific details about the lead trustee and the other trustees will need to be provided. Information on the beneficiaries must also be given. You may wish to speak with your accountant or legal adviser for assistance.

Once registered, there is an ongoing obligation to update the TRS of any changes in trustees or their details within 90 days.

## When is the deadline?

The deadline for registration of trusts which were in existence on 6 October 2020 was 1 September 2022 and has now passed. If you believe you may need to register, we recommend acting now in order to avoid penalties.

Newly created trusts have 90 days after their creation within which to register.

## What happens if you have missed the deadline or you do not register with the TRS?

There will not be a penalty for a first-time offence unless failure to register is deliberate. Instead, HMRC will issue a warning letter requiring registration within a specified timeframe. Failure to subsequently register the trust may trigger a penalty being issued to the lead trustee of up to £5,000.

Similarly, a failure to update information held by the TRS could result in a penalty being issued to the lead trustee of up to £5,000.

As well as there being a requirement to register the trust, there is also an obligation on legal professionals, auditors, accountants, tax advisors, and financial institutions to seek proof of registration with the TRS before working with trustees. It's important to register now to avoid potential delays in the provision of legal or financial advice in the future.

## How much will it cost?

There is no fee to register a trust using the TRS. However, professional fees may be incurred if assistance is required to register or update information with the TRS.



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## How can you avoid the requirement to register with the TRS?

In most circumstances the administrative burden of registration with the TRS can be avoided if your club makes the decision to incorporate. Generally, our advice to a club structured as an unincorporated association which holds property, employs staff and/or enters into contracts or arrangements involving significant risk is to consider incorporation, irrespective of the new requirements under the TRS.

As an unincorporated association, the management committee members may be personally liable on a joint and several unlimited basis for the debts and liabilities of the club, which potentially puts those management committee members in a vulnerable position. Likewise, the club's trustees may be personally liable on a joint and several unlimited basis for any liability arising from the club's occupation of its premises. By incorporating, management committee members are better protected from the risks of personal liability and, in most cases, there are no longer any individual trustees.

## Here to help

If you want to find out more about incorporation or if you have any questions about the TRS and the registration process, Muckle LLP can help to advise you. For more information, please contact, Chris on the details below.



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'As a charity client, it is essential for me to trust our solicitor, and for me to know that fees are reasonable but that the advice and support we receive are second to none. That is indeed my experience of Muckle. It has indeed been my experience for many years now.'