

Trusts - automatic exchange of information - an update

Which trusts may be required to register for automatic exchange of information.

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Some trusts are required to register for automatic exchange of information (AEOI). In short, a life company trust with individual trustees, investing solely in investment bonds (onshore or offshore/international), unit trusts or protection policies will not have to register for AEOI purposes.

Broadly, any trust, company or partnership which is considered a reporting Financial Institution under the Common Reporting Standard (CRS) or Foreign Account Tax Compliance Act (FATCA) will be required to register.

Until now, trusts classified as Financial Institutions may not have had any need to register with HMRC if the settlor, trustees and beneficiaries were UK based. This changed with the introduction of the International Tax Compliance (Amendment) Regulations 2025, which came into effect in July 2025.

In light of the change in the rules from 31 December 2025, trustees should consider the proper characterisation of their trust for AEOI purposes to determine whether the trust has a reporting obligation under the new rules.

HMRC's [International Exchange of Information Manual](#) provides detailed guidance on the background to the measures, including who needs to register and how entities are classified.

In essence, the following trusts are now likely to need to register...

- Financial Institutions - a trust will be a Financial Institution if more than 50% of its income comes from financial assets (for example a share portfolio) and its assets are managed by a fund manager under a discretionary mandate.
- Trustee-documented trusts – these are trusts managed by Financial Institutions, i.e. professional trustees. However, the expectation is that the professional trustees would comply with the necessary disclosure requirements of the trust.

A trust or other Financial Institution should register with HMRC for AEOI purposes by the later of...

- 31 December 2025; or
- 31 January following the calendar year in which the entity becomes a Reporting Financial Institution or Trustee-Documented Trust.

So, even though most life company trusts will not be required to register, the trustees will need to check whether the trust derives income and gains from a

discretionary managed investment portfolio and, if necessary, register with HMRC at...[Register for Automatic Exchange of Information - GOV.UK](https://www.gov.uk/government/collections/register-for-automatic-exchange-of-information)

A number of trade bodies have made representations to HMRC with regard to these changes as they have not been widely publicised and a proposal for an extension to the deadline has been rejected due to the international nature of these obligations. However, in a similar vein to the Trust Registration Service, HMRC has advised that penalties will not be issued automatically and has stated...

"If you represent Financial Institutions or Trustee-Documented Trusts, please ensure they are registered by this deadline, or as soon as possible afterwards. Late registration penalties will not apply if you have a reasonable excuse for any delay in registering. If you need any support with registering or think you will be unable to meet the deadline, please email enquiries.aoi@hmrc.gov.uk"

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