Guidance

Records to keep for trusts

Find out what records you must keep about trusts for tax purposes, who can access your information, and what to do if your records are lost or destroyed.

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Records you must keep

The records you must keep depend on the type of trust. In all cases, you should keep the following:

- bank statements for current and deposit accounts
- confirmation of interest paid into bank or building society accounts
- national savings bonds or certificates
- certificates issued by life assurance companies
- dividend vouchers from companies and unit trusts
- stockbroker reports and records of dividends
- details of expenses paid by the trustees
- details of all taxes paid by the trust
- records of income payments to beneficiaries, if you're the trustee of a discretionary trust

You should keep details of any transactions made using online bank accounts, as they may not send you paper statements.

Trust information

Trustees of all express trusts must keep a written record of the following information:

- the full name of the trust
- the date the trust was created
- the country where the trust is considered to be resident for tax purposes
- the place where the trust is administered
- a contact address for the trustees
- the full name and address of any advisers who are being paid to provide legal, financial or tax advice to the trustees in relation to the trust

Settlor, trustee and beneficiary information

The lead trustee must keep the following records for all settlors, trustees and beneficiaries:

- whether the person is a settlor, a trustee or a beneficiary
- full name
- National Insurance number or Unique Tax Reference (UTR)
- date of birth
- postal address (or passport or ID card details, if the address is not in the UK)

You can use classes to identify beneficiaries, rather than naming them individually.

If the trust sells or buys assets during the year, you'll need:

- completion statements for property transactions
- contract notes for stocks or shares
- receipts for sale or purchase expenses, including estate agent's and solicitor's charges on the sale of property and details of any Stamp Duty paid

If the trust owns property to let, you'll need:

- receipts for expenses connected with the property, including any mortgage interest
- annual bills such as business or water rates
- licence or rent agreements showing the rent payable

If the trust has received additional assets you'll need:

- the amount or value of the asset received (use the asset's market value on the date it was moved into the trust)
- the date the additional money or asset was received
- details of who made the payment or who moved the asset into trust

You should also keep records that show any important decisions made by the trustees, such as:

- minutes of meetings
- deeds of appointment
- any decisions that affect the distribution of capital or income

All of this information will be useful when you complete the Trust and Estate Tax Return, and help you answer any questions that HMRC may have about your return.

Records of income payments to beneficiaries

Trusts may make payments to beneficiaries if they:

- can receive income at the trustees' discretion
- are entitled to receive trust income under the terms of the trust

Trustees must keep records of any income payments made at their discretion to beneficiaries. This information is required as part of the Trust and Estate Tax Return for discretionary trusts.

If you're the trustee of a non settlor-interested trust and you've made a discretionary payment out of the income, you'll need to complete Question 14 on the Trust and Estate Tax Return.

Different rules apply for trustees of Heritage Maintenance Funds and settlor-interested trusts. You can find out about the rules on pages 11 and 23 of the Trust and Estate Tax Return guide.

If the beneficiary is also the settlor and they, their spouse or civil partner have retained an interest in the trust, you can use form R185 (Settlor) instead.

Trustees may find it helpful to keep copies of each form R185 (Trust Income) that they give to beneficiaries.

How long to keep the records

The length of time you must keep written records after the trust has made the final payment to beneficiaries depends on whether the trust has any business income.

If the trust has business income

If the trust has business income, you must keep the business records for 5 years after the filing deadline of 31 January.

For example, if you submit a return for tax year 2008 to 2009 by 31 January 2010, you must keep the records until 31 January 2015.

If the trust has no business income

If the trust has no business income, you must keep the business records for one year after the filing deadline of 31 January.

For example, if you submit a return for tax year 2008 to 2009 by 31 January 2010, you must keep your records until 31 January 2011.

If you miss the deadline

If you submit a return after the normal filing deadline, you should keep your records until the latest of either:

- 15 months after the date you sent the return in
- 5 years after the deadline, if they are business records

If HMRC starts a check

You may need to keep your records for longer if a check has already been started. You'll need to keep them until HMRC tells you the check is finished.

You must then delete your records, unless:

- you're legally obliged to keep them
- a trustee reasonably believes they must be kept for legal purposes
- someone you have information about gives you their consent to keep it

Who can access your records

By law, the following UK law enforcement authorities can request information about the beneficial owners of all express trusts:

- HMRC
- National Crime Agency
- Financial Conduct Authority
- Serious Fraud Office
- Metropolitan Police Service
- City of London Police
- police forces in England and Wales outside of London
- Police Scotland
- Police Service of Northern Ireland

If your records are lost or destroyed

If the records you need to complete the Trust and Estate Tax Return have been lost or destroyed, you should try to find the missing information where possible.

You can ask a bank to give you interest figures or statements, although they may charge for this.

You should send the return as soon as possible with the information you have, rather than wait until you have all of the information.

If you cannot find any information you'll need to estimate the missing figures. You should tell HMRC what's happened, and if any figures are:

- an estimate - a figure you want HMRC to accept as your final figure
- a provisional figure - one you want to use until you can confirm the actual amount (you must tell HMRC when you can do this)

Use the 'Additional Information' section on the tax return to say how you've arrived at your figures and why you cannot use actual figures.

You can write to HMRC and give the correct figures within one year of the final date for filing the return. HMRC may contact you about any provisional figures during this time.

If you make adjustments at a later date,there may be interest and penalties to pay if you've underpaid any tax.

You can find out more about using provisional figures on page 25 of the Trust and Estate Tax Return guide.

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