
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ([S.I. 2017/692](#)) (the “MLRs”), mainly changing the time limits for registration of trusts but also adding further exclusions to the type of trusts which are required to register.

Regulation 3 amends regulation 45 of the MLRs in relation to taxable relevant trusts. The amendments postpone the main deadline for registering existing trusts by six months, to 1st September 2022 and extends the time for registering new taxable trusts, from 30 days after becoming liable to pay tax to 90 days. Regulation 4 makes similar amendments to regulation 45ZA of the MLRs in relation to the additional types of registrable trusts.

Regulation 5 amends Schedule 3A to the MLRs, which contains descriptions of trusts which are not registrable under either regulation 45 or 45ZA. In relation to trusts of insurance policies, the regulation adds the cases where temporary disablement cover is also included in the trust, also a trust of a healthcare cover which is not contained in a life policy. Lastly, accounts (provided by banks, building societies and similar regulated providers) which are opened solely for the benefit of children or other persons lacking capacity, are excluded from registration where the provider requires the account to be held within a trust.

Regulation 6 amends [S.I. 2020/991](#) in relation to the commencement of amendments in that instrument which substitute regulation 30A (requirement to report discrepancies in registers) and add 45ZB (access to information on the register) of the MLRs. Those amendments will also now come into force on 1st September 2022.

The MLRs contain provisions required to transpose, notably, the fourth and fifth Money Laundering Directives (Directives [2015/849/EU](#) and [2018/843/EU](#)). A full impact assessment of the effect of the previous provisions to transpose [Directive 2018/843/EU](#) on the costs of business, the voluntary sector and the public sector is available from HM Treasury at 1 Horse Guards Road, London SW1A 2HQ. A full impact assessment has not been produced for this instrument as no significant further impact on the private, voluntary or public sector is foreseen.