HM Revenue & Customs

Wealthy/Mid-Sized Business Compliance
HM Revenue and Customs
BX9 1LH

TRUST_NAME
ADDRESS_LINE_1
ADDRESS_LINE_2
ADDRESS_LINE_3
ADDRESS_LINE_4
ADDRESS_LINE_5
POSTCODE

Phone 03000 529450

Email edinburgh.trustscompliance@hmrc.gov.uk

Web www.gov.uk

Date **[DATE]**
UTR **[UTR]**
Case Ref **[Caseflow Reference]**

Dear Sir or Madam

Please check if your trust should be treated as an accumulation or discretionary trust

On **[TRUST_NAME]**'s most recent Trust and Estate tax return, you ticked box 8.15. This tells us the trust isn't an accumulation or discretionary trust.

Accumulation or discretionary trusts pay Income Tax at special rates; 39.35% on dividend-type income and 45% on all other income. Other trusts usually pay lower rates of 8.75% and 20%.

We're writing because we've carried out a check of the details held for this trust. The trust name on our record suggests box 8.15 may have been completed incorrectly. If the trust is an accumulation or discretionary trust, the special rates Income Tax may apply.

We understand a trust's circumstances can change over time and that you may already be paying the correct tax. We're asking you to do a check so that we can keep our records up to date.

What you need to do by 2 November 2026

Please check each tax return for **[TRUST_NAME]** where you ticked box 8.15.

If you think your returns are correct and the trust has paid Income Tax at the right rates, please tell us. Our phone number and email address are at the top of this letter.

If you think the trust should have paid Income Tax at the special trust rates for any tax year, please take the following steps:

- For the 2024 to 2025 tax year, amend the return through the Self Assessment online service, or send us a new paper return. Then pay any extra tax the trust owes.

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For guidance, go to GOV.UK and search ‘Self Assessment Tax Returns’, then choose ‘if you need to change your return’.

- For earlier years, make a voluntary disclosure. Go to GOV.UK and search ‘make a voluntary disclosure to HMRC’. There may be interest to pay and, depending on the circumstances, a penalty may also be due.

- You should also update the beneficiaries of the trust by providing them with an amended statement of income. For guidance go to GOV.UK and search ‘R185’.

- You should also check whether the trust’s details on the Trust Registration Service (TRS) are up to date. This is important if the trust’s terms have changed since it was first registered, for example if who can benefit from the trust has changed.

  For guidance, go to GOV.UK and search ‘Manage your trust’s details’. This explains what you need to update and when.

If you don't respond

We may start a compliance check into your tax position. If we find you owe more tax, we will charge interest on the tax you owe, and we may charge you penalties.

Further guidance

It is up to the trustees to decide what type of trust they have. If you’re not sure whether the trust is an accumulation or discretionary trust, there is guidance you can find to help you check.

Go to GOV.UK and search ‘Trust and Estate Tax Return Guide’. Then read the notes for box 8.15 on page 10 of the guide. You can also go to GOV.UK and search ‘TSEM1560’ and ‘TSEM1563’.

Some discretionary trusts are exempt from the special trust rates. For more information about the rules for trusts, go to GOV.UK and search ‘trusts and taxes’.

If you do not have an accountant or agent, you may want to seek professional tax advice and discuss the contents of this letter with them.

Extra support

If your health or personal circumstances make it difficult for you to deal with us, please tell us. We’ll help you in whatever way we can.

For more information about this, go to GOV.UK and search ‘get help from HMRC if you need extra support’.

Yours faithfully

To find out about the service and standard of behaviour you can expect from us, go to GOV.UK and search 'HMRC Charter'.