SOPHER+CO
Chartered Accountants

Automatic Exchange of Information (AEOI)

AEOI Practical Guide · Updated June 2026

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FOUR THINGS TO KEEP IN MIND THROUGHOUT

Register once, annual reporting only if needed

Registration and reporting are not the same thing. Many structures must register even if they have nothing to report, and no annual return is needed where there are no Reportable Accounts.

Who manages the investments matters

The trigger is professional discretionary management. An entity that manages its own investments without appointing a discretionary fund manager or wealth manager is less likely to be caught.

Registration is mandatory - even with nothing to report

Registration is mandatory for all Reporting Financial Institutions, including those with only UK-resident account holders. The deadline was 31 December 2025.

TRS registration is not enough

TRS and AEOI are separate obligations. Being registered with HMRC's Trust Registration Service gives no credit towards AEOI registration and does not satisfy these requirements.

01 · Overview

WHAT IS AEOI?

AEOI stands for Automatic Exchange of Information. UK financial institutions are required to collect details about their account holders' tax residency and report them annually to HMRC. HMRC passes the information to the relevant overseas tax authorities — and receives equivalent data from abroad about UK tax residents holding accounts overseas.

The aim is to prevent offshore tax evasion. It does not change what tax you owe — it changes what tax authorities know.

FATCA

The US Foreign Account Tax Compliance Act. Covers US citizens and tax residents worldwide, under a UK–US intergovernmental agreement.

CRS

The OECD Common Reporting Standard. Covers tax residents in over 100 participating countries. The wider and more common of the two regimes.

Legal basis (UK)

The International Tax Compliance Regulations 2015, as amended by the International Tax Compliance (Amendment) Regulations 2025 (in force 16 July 2025).

02 · Scope

DOES THIS APPLY TO YOU?

AEOI obligations fall on entities classed as Financial Institutions. There are four categories of Financial Institution under both FATCA and CRS - custodial institutions, depository institutions, investment entities and specified insurance companies. IEIM400610

In practice, the entities that come into scope fall into two quite different groups. Understanding which you are determines what you need to do.

Managed investment structures

HMRC: Managed Investment Entity — IEIM400770

This covers entities that hold an investment portfolio and have a professional manager running it on their behalf. The entity is not in the financial services business — it is classified as a financial institution solely because of *how its assets are managed*. HMRC calls this a "Managed Investment Entity."

Common examples:

- **Family trusts** where a professional corporate trustee is in place, or where the trustees have appointed a discretionary fund manager
- **Family investment companies (FICs) and personal investment companies** where a discretionary manager runs the portfolio IEIM400880
- **Investment partnerships** where a professional manager has discretion over assets
- **Bare trusts and other holding structures** where a fund manager has been appointed with investment discretion

Two tests must both be met. First, the entity's gross income must be primarily derived from investments — which HMRC interprets as 50% or more — assessed over the shorter of the three preceding calendar years or the entity's period of existence. Second, those assets must be managed on a discretionary basis by a Financial Institution. IEIM400770

> **The key trigger is discretionary management.** An entity whose directors or trustees make their own investment decisions - without a professional manager holding discretion - is likely to fall outside the Investment Entity definition. Appointing a wealth manager, DFM or professional corporate trustee may bring the entity into scope, but both conditions must still be met: the financial assets income test and management by a Financial Institution with discretionary authority. Take advice if uncertain.

Financial intermediaries

HMRC: Activity Based Investment Entity — IEIM400770

This covers businesses whose primary activity is providing financial services — managing, holding or administering assets on behalf of clients. They are financial institutions in the conventional sense.

- **Custodial institutions** — brokers, nominees, custodians holding assets for others
- **Depository institutions** — banks, building societies, credit unions, electronic money institutions IEIM400740
- **Activity-based investment entities** — discretionary fund managers, wealth managers and fund administrators who conduct investment management as a business for clients IEIM400770
- **Specified insurance companies** — insurers issuing cash value life or annuity contracts

Note: within this category there is an important distinction. **Activity-based investment managers and fund administrators** - who manage portfolios on behalf of clients but do not maintain the accounts themselves — typically do not hold reportable financial accounts of their own. They must register but commonly have no annual return obligation because accounts sit at fund or client level. **Banks, custodians, brokers and EMIs**, by contrast, do maintain depository and custodial financial accounts directly and commonly have reporting obligations where account holders are Reportable Persons.

Entities not in scope

Trading businesses

A business whose income comes primarily from trading goods or services is a Non-Financial Entity. No AEOI obligations, though banks will ask for a self-certification form when you open accounts.

Self-managed investment structures

A structure where individual trustees or directors make their own investment decisions - without appointing a professional discretionary manager - is likely to fall outside the Managed Investment Entity definition. Take advice before assuming this applies.

Non-Reporting FIs

Some FIs are explicitly exempt: pension funds, authorised collective investment schemes, government entities, central banks, qualified non-profit entities and qualified credit card issuers. IEIM400920

WHAT IS A REPORTABLE ACCOUNT?

This definition determines whether you have anything to file. You may be required to register as a Financial Institution yet have no Reportable Accounts — and therefore no obligation to file an annual return. IEIM401520

An account is a Reportable Account only when both tests below are met.

Test 1 - Is it a Financial Account (and not an Excluded Account)?

A Financial Account is one of five types: depository account (bank/savings accounts); custodial account (investment portfolios and nominee accounts); equity or debt interest (shares, units, partnership interests, beneficial interests in trusts); cash value insurance contract (investment-linked life policies); annuity contract.

Excluded Accounts - never reportable regardless of who holds them. The following are excluded because they carry a low risk of tax evasion: IEIM401740 · IEIM401820

ISAs and Junior ISAs
All types under the ISA Regulations 1998

Child Trust Funds
Under the Child Trust Funds Act 2004

Registered pension schemes (CRS and FATCA)
SIPPs, occupational pensions and all HMRC-registered schemes IEIM401760

Non-registered pensions - FATCA only
Arrangements where annual contributions are ≤£50,000 and funds cannot be accessed before age 55 (except serious ill health) are excluded under FATCA but have been reportable under CRS since 13 May 2020. IEIM401740

Children's Bonus Bonds (NS&I)
Issued by National Savings & Investments

Tax Exempt Savings Plans
Friendly Society plans under the Friendly Societies Act 1992

Employee share schemes
Share Incentive Plans, SAYE and Company Share Option Plans (Schedule 8 FA 2014)

Immediate Needs Annuities
Qualifying under s.725 ITTOIA 2005

Estate accounts
Accounts held solely for administering a deceased's estate, for a limited period IEIM401840

Qualifying credit cards
Credit card accounts with unreturned overpayments only IEIM401880

⚠ Not excluded: NS&I Premium Bonds, Fixed Rate and Index Linked Savings Certificates
Removed from the excluded list with effect from 13 May 2020 — now potentially reportable under CRS

Test 2 - Is it held by a Reportable Person (or a Passive NFE whose controllers are Reportable Persons)?

A Individual or entity account holders

Under CRS, a Reportable Person is any individual or entity **tax-resident in a participating jurisdiction outside the UK**. A person who is *solely* UK-tax-resident is not a Reportable Person under CRS - HMRC already has information about them. However, a dual resident who is tax-resident in both the UK and another participating jurisdiction is reportable to that other jurisdiction, and must declare all jurisdictions of residence on their self-certification. From 2026, account holders cannot use a treaty tie-breaker to assert a single residence for CRS purposes. Participating jurisdictions include most of Europe, the Gulf, Australia, Canada, Singapore and over 100 countries in total. IEIM402015 · IEIM402010

Under FATCA, the equivalent is a "Specified US Person" - US citizens and tax residents (including dual nationals) and certain US entities.

Excluded even if foreign-resident: publicly listed companies and their affiliates, government entities, international organisations, central banks and financial institutions.

B The Passive NFE look-through route

Even where the account holder is an entity that is not itself a Reportable Person, the account is still reportable if the entity is a **Passive NFE** and one or more of its Controlling Persons are Reportable Persons.

A **Passive NFE** is the default classification for any NFE that does not qualify as an Active NFE. One common Active NFE test requires both less than 50% passive income and less than 50% of assets held for the production of passive income - but there are also several other Active NFE categories (publicly traded entities, start-ups, entities in wind-up, and others). If none of those apply, the entity is a Passive NFE by default. Many private holding companies and family investment structures that have not appointed a DFM fall here. IEIM404040

The look-through works differently depending on the type of entity:

- **For companies:** Controlling Persons are those who control more than 25% of the shares or voting rights. If any such person is foreign-tax-resident, the account becomes reportable.
- **For trusts:** there is no percentage threshold. Every settlor, trustee, protector and beneficiary is a Controlling Person - regardless of their proportionate interest. If any one of them is foreign-tax-resident, the trust's bank or investment account is reportable. A beneficiary with a 1% interest is as much a Controlling Person as one with a 50% interest. IEIM403400

For managed investment structures that are themselves Reporting FIs, the relevant question is different — see the trust guidance in Section 11.

The practical result for most managed investment structures: Most family trusts, FICs and investment partnerships whose beneficial owners, beneficiaries and shareholders are all UK-resident will register as Financial Institutions but have no Reportable Accounts. Registration is still mandatory. No annual return is required unless and until a beneficial owner or beneficiary becomes tax-resident outside the UK.

HAVING TO REGISTER VS HAVING TO REPORT ANNUALLY - UNDERSTANDING THE DIFFERENCE

These are two separate and independent obligations. The most important thing to grasp is this:

Registration - unconditional

Every Reporting Financial Institution and every Trustee-Documented Trust must register - regardless of whether they have, or expect to have, any Reportable Accounts.

Registration is a one-off requirement. It does not need to be repeated each year. It covers both CRS and FATCA in a single registration.

There is no exemption from registration on the grounds that you have nothing to report.

Annual returns - conditional

Annual returns are only required if you have Reportable Accounts.

If you have no Reportable Accounts - because all your beneficial owners, beneficiaries and shareholders are UK-resident - you do not need to file a return. There is no obligation to submit a nil return.

The position changes as soon as any beneficial owner or beneficiary becomes tax-resident outside the UK.

Who registers, and who files returns?

Entity type	Must register?	Must file annual returns?
Managed investment structure (trust, FIC, partnership - with all UK-resident beneficial owners) *Registration and reporting is the responsibility of the trustees, directors or partners — not the investment manager*	✓ Yes - mandatory	✗ No - no Reportable Accounts
Managed investment structure (with one or more beneficial owners who are foreign-tax-resident) *Registration and reporting is the responsibility of the trustees, directors or partners - not the investment manager*	✓ Yes - mandatory	✓ Yes - for the foreign-resident accounts only
Trustee-Documented Trust *Trust has a professional corporate trustee who is itself a Reporting FI*	✓ Yes - the corporate trustee registers the trust with HMRC	Trust does not self-file. The corporate trustee files returns on behalf of the TDT where it has Reportable Accounts. No nil return where none. CRS and FATCA reported differently - see below
Financial intermediary (fund manager, custodian, bank, EMI)	✓ Yes - mandatory	Only if it maintains Reportable Accounts
Non-Reporting FI (pension fund, authorised collective investment scheme etc)	✗ Not required	✗ No
Non-Financial Entity (trading business, self-managed structure)	✗ Not required	✗ No

Trustee-Documented Trust - who does what, and how CRS and FATCA differ. A TDT only exists where the *trustee itself* is a Reporting Financial Institution - in practice, a professional corporate trustee. The corporate trustee carries out due diligence and, where the TDT has Reportable Accounts, files returns. CRS and FATCA reporting work differently:

- **CRS:** returns are filed in the *TDT's name* as the Reporting Financial Institution. The report shows the trust, not the corporate trustee, as the Reporting FI. IEIM400990
- **FATCA**: the trustee reports using the *trustee's name and GIIN* as the Reporting Financial Institution, and identifies the TDT in the account number or account identifier field.

For the 2026 reporting year, CRS and FATCA accounts of the same TDT cannot be in a single submission - two separate submissions are required. From 2027, separate schemas apply to all submissions.

Group registration: Each entity requires a separate registration. However, a single Government Gateway account and a single authorised representative can register and report on behalf of any number of entities within a group or family of structures. IEIM404510

HOW TO REGISTER - STEP BY STEP

Registration is mandatory for all Reporting Financial Institutions and Trustee-Documented Trusts. Registration covers both CRS and FATCA in a single process. IEIM404510

> **Deadline has passed for most existing entities.** The deadline was 31 December 2025. If you have not yet registered, do so as soon as possible. HMRC has acknowledged that awareness of the new rules was low. Penalties will not be charged automatically - where there is a reasonable excuse and registration happens promptly, no penalty is likely to be imposed. New entities coming into scope from 2026 must register by 31 January following their first year in scope. IEIM405117

Registration link: gov.uk/guidance/register-for-automatic-exchange-of-information

Government Gateway - registration walkthrough

1. Create a new Government Gateway ID and password. You cannot use an existing ID set up for the Trust Registration Service or any other HMRC service. When prompted, confirm you are registering as an **organisation**.

2. When asked which tax account you want, click *Other taxes*. Select *Automatic Exchange Of Information*. When asked whether you have registered for AEOI before, select *No*.

3. Enter your contact name and address. Click *Add reporting financial institution*. A single Government Gateway account can be used to register any number of entities - up to 250 in one session (HMRC may lock the account for up to 24 hours while processing larger batches).

4. For a **Trustee-Documented Trust**, register the trust as the Reporting Financial Institution - not the trustee. Name the reporting trustee as the contact.

Information you will need for each entity

Entity name - the name of the trust, company or partnership being registered

Email address - contact email for the entity or its authorised representative

FATCA GIIN - the entity's Global Intermediary Identification Number. If none held (the usual position for trusts and FICs), enter *000000.00000.LE.000*

UTR - Unique Taxpayer Reference. If the entity has a URN rather than a UTR, tick "no tax identification number"

Filer category - select *PFFI* (Participating Foreign Financial Institution)

ANNUAL REPORTING OBLIGATIONS

Once registered, a Reporting Financial Institution must carry out due diligence on the Financial Accounts it maintains to determine whether any are Reportable Accounts, and must keep records of that process. Due diligence and record-keeping obligations apply regardless of whether reportable accounts are found. If no Reportable Accounts are identified, no annual return is required and no nil return need be filed. Where Reportable Accounts are identified, the FI must also notify relevant individual account holders and file an annual return with HMRC by 31 May.

1 Apply due diligence to identify Reportable Accounts

Review all accounts you maintain and determine whether any are Reportable Accounts. For managed investment structures, this means reviewing the tax residency of your beneficial owners, beneficiaries and shareholders.

New accounts: obtain a self-certification form at account opening, confirming the account holder's jurisdiction of tax residence and Tax Identification Number.

Pre-existing accounts: review using documentary evidence and electronic record searches. Two de minimis thresholds apply, below which pre-existing accounts need not be actively reviewed until the balance exceeds the threshold:

- Pre-existing **individual** accounts (depository and custodial): **$50,000 - FATCA only**. Under CRS there is no threshold for individual accounts; all pre-existing individual accounts require review.
- Pre-existing entity accounts: **$250,000 - applies to both CRS and FATCA.**

Retain all due diligence records, self-certifications and supporting documents for five years. IEIM402505 · Thresholds: IEIM402565

Ongoing - new accounts: at opening. Pre-existing: rolling review.

2 Notify individual Reportable Account holders

Once you first identify an *individual* account as reportable, notify that person in writing that their information will be sent to HMRC and may be passed to a foreign tax authority. This obligation applies to individual account holders - not to entity accounts. It is a one-off notification per account. It can be included in an account statement, a terms and conditions update, or the self-certification form itself. IEIM402510

Deadline: 31 January following the first year the account is identified as reportable

3 File your annual return with HMRC

File via HMRC's AEOI portal on the Government Gateway. Larger filers upload an XML file; smaller filers can enter data manually. There is no obligation to file a nil return where you have no Reportable Accounts.

From 1 January 2027: CRS and FATCA must be submitted on separate XML schemas. The combined schema is no longer accepted after 31 December 2026. This applies to all submissions from that date, including amended returns for earlier years. *IEIM400580*

Annual deadline: 31 May — for the preceding calendar year

4 Keep records

Retain all due diligence procedures, self-certifications received and reports submitted for five years from the end of the relevant calendar year.

Retention period: 5 years

Third parties: You can appoint a service provider to handle registration and reporting on your behalf. Legal responsibility for compliance remains with the Reporting Financial Institution, not the agent.

07 · Dates

KEY DATES - ANNUAL COMPLIANCE CALENDAR

The compliance cycle runs on the calendar year. There are four fixed dates to track. Only 31 May involves active filing, and only where you have Reportable Accounts.

1 January	New calendar year begins. Self-certification required for all new accounts opened from this date
31 January	**Notify individual Reportable Account holders** first identified during the previous calendar year. Also the registration deadline for entities that first came into scope during the prior year.
31 December	Reference date for account balances and values. Record the balance of each Reportable Account as at 31 December - this is the figure reported.
31 May	**Annual return due to HMRC** covering the preceding calendar year. Only required where Reportable Accounts exist.

> **Example:** A trust first identifies a beneficiary as foreign-resident in 2025. It notifies them by 31 January 2026, then files a return for calendar year 2025 by 31 May 2026, reporting the account balance as at 31 December 2025

08 · Reported data

WHAT INFORMATION GETS REPORTED?

For each Reportable Account, the following is reported to HMRC and passed to the relevant overseas tax authority.

About the account holder

Data item	CRS	FATCA
Name	Required	Required
Address	Required	Required
Tax Identification Number (TIN)	Required	Required
Jurisdiction of tax residence	Required	Required
Date of birth (individuals)	Required	Required where TIN unavailable
Place of birth (individuals)	Where available	-
Account number or functional equivalent	Required	Required
Account balance or value at year end	Required	Required
Whether a valid self-certification was provided (2026+)	Required	-
Account type (2026+)	Required	-
Joint account status and number of holders (2026+)	Required	-
Roles of Controlling Persons / Equity Interest Holders (2026+)	If available	-

Income on the account

Account type	What gets reported
Custodial	Gross interest, dividends and other income. Gross proceeds from sale or redemption of financial assets.
Depository	Total gross interest paid or credited during the year.
Other (investment accounts, insurance)	Total gross amount paid or credited, including redemption payments.

PENALTIES

The International Tax Compliance (Amendment) Regulations 2025 substantially revised the penalty framework with effect from 16 July 2025. The figures below are from the updated HMRC manual. IEIM405100

Failure	Initial penalty	Continuing daily penalty	Manual ref
Failure to register	Up to £1,000	Up to £300 per day	IEIM405117
Late or missing annual return	Up to £5,000	Up to £600 per day	IEIM405114
Failure to provide information to HMRC on request	Up to £5,000	Up to £600 per day	IEIM405112
Inaccurate or incomplete return	Up to **£100 per Account Holder or Controlling Person** where information is wrong or missing	-	IEIM405115
Failure to apply due diligence	Up to £100 per Account Holder or Controlling Person (general). Up to £300 per Account Holder or Controlling Person where the specific failure is not obtaining a valid self-certification	-	IEIM405116
Failure to notify individual account holders	Up to £100 per reportable person	Up to £100 per day until notification is made	IEIM405111
Failure to keep records	Up to £5,000 per reportable period in which failures occur	-	IEIM405113

Penalties are not automatic

HMRC has confirmed that penalties will not be charged automatically. A first failure, particularly where there is a reasonable excuse, is likely to attract a lower penalty or none at all. Frequency of failure is a key factor in how much is charged. IEIM405100 · IEIM405131

Only one penalty per act or omission

Where the same act or omission could give rise to penalties for failure to apply due diligence, failure to keep records and inaccurate reporting, only one penalty applies - whichever HMRC considers most appropriate. IEIM405120

Late registration now

HMRC has acknowledged that awareness of the 2025 registration requirements was low. Registering promptly with a reasonable excuse is very likely to avoid or minimise the registration penalty in practice.

CRS 2.0 - CHANGES FROM 2026

The OECD updated the Common Reporting Standard in 2023. The UK implemented these changes - known as CRS 2.0 - from 1 January 2026.

Newly in scope from 2026

Electronic Money Institutions **New**

EMIs and payment companies are now Depository Institutions. Registration deadline: 31 January 2027. EMI accounts with a rolling 90-day balance below $10,000 are Excluded Accounts. IEIM400750

Digital asset and crypto companies **New**

From 1 January 2026, trading and holding of Relevant Crypto-Assets counts as investing in financial assets. Entities whose income is primarily from crypto-asset investment, managed by a professional discretionary manager, may now be Managed Investment Entities and need to register.

Partnerships **Clarified**

The Investment Entity rules apply to partnerships as much as to companies and trusts. A partnership with a portfolio managed by a discretionary fund manager is in scope in the same way. IEIM400860

Newly exempt from 2026

Qualified Non-Profit Entities **New exemption**

Charities meeting the OECD criteria are now Non-Reporting FIs. If your charity has never had Reportable Accounts and is not already registered, HMRC accepts no registration is required. IEIM400995

New reporting fields from 2026

Additional data - first reported 31 May 2027

- Whether the account is a Pre-existing Account or New Account
- Whether a valid self-certification was obtained
- Type of financial account
- Joint account status and number of holders
- Roles of Controlling Persons (settlor, trustee, beneficiary, protector)
- Roles of Equity Interest Holders in investment entities

For accounts opened before 1 January 2026, Controlling Person roles only need to be reported in 2026 and 2027 if the information is already held in electronically searchable records.

Separate CRS and FATCA schemas from 1 January 2027

From 2027, CRS and FATCA reports must be filed on separate XML schemas. The combined schema is not accepted after 31 December 2026. This applies to all submissions from that date - including amended returns for earlier years. For TDTs, separate CRS and FATCA submissions are already required for the 2026 reporting year.

TRUSTS - PRACTICAL GUIDANCE

Two questions determine where a trust sits under AEOI. Work through them in order. IEIM400800

Question 1 - Is there a corporate trustee?

By "corporate trustee" we mean a company whose business is acting as trustee - for example a trust corporation, a bank's trustee subsidiary, or a law firm's dedicated trust company. This is different from a professional such as a solicitor or accountant who acts as trustee in a personal capacity alongside family member trustees. Individual professionals acting as trustees are treated the same as any other individual trustee for AEOI purposes.

No corporate trustee → Go to Question 2

Individual trustees - whether family members, a solicitor, an accountant or a mix - are never Financial Institutions in their own right. Move to Question 2 to determine obligations.

Corporate trustee in place → See below

Less common. If the corporate trustee is itself a Reporting Financial Institution (which a regulated trust company will be), the trust is a Trustee-Documented Trust (TDT). See the TDT section at the foot of this page.

Question 2 - Has the trust appointed a discretionary fund manager or wealth manager?

This means a regulated investment manager who has been given discretion to manage the trust's investment portfolio. It does not mean a financial adviser who gives recommendations but leaves decisions to the trustees, nor a bank where the trust simply holds a current or savings account.

Yes - DFM appointed

Reporting Financial Institution - IEIM400770

The trust is a **Managed Investment Entity** and therefore a Reporting Financial Institution. This is the most common in-scope scenario for trusts with individual trustees.

Who registers: The trustees register the trust on HMRC's AEOI portal. Not the DFM - the DFM manages the assets but has no registration or reporting obligation for the trust.

Who files returns: The trustees (or their agent). The obligation to file depends on the type of trust:

- **Interest in possession trusts** (fixed entitlement beneficiaries): a beneficiary holds an equity interest in the trust at all times. If any beneficiary or settlor is foreign-tax-resident, that interest is a Reportable Account and annual returns are required.
- **Discretionary trusts:** a discretionary beneficiary only holds an equity interest - and is therefore only an Account Holder - in years when they actually receive a distribution. A beneficiary on the class list who receives nothing in a given year is not an Account Holder for that year. **The settlor**, however, holds an equity interest whether or not distributions are made - so a foreign-resident settlor triggers a reportable account in every year. IEIM401700

If all settlors, trustees, protectors and any beneficiaries receiving distributions are UK-resident, you register but do not file a return.

Two conditions must both be met for the trust to be caught at all:

- More than 50% of gross income comes from investments, assessed over the shorter of the last three calendar years or the trust's period of existence
- A regulated discretionary fund manager manages the assets

IEIM400820 · IEIM404510

No - no DFM appointed

Non-Financial Entity - IEIM400800

Where individual trustees manage the trust's assets themselves - or where the trust holds only a bank account - the trust is likely a **Non-Financial Entity**. No AEOI registration or reporting is required.

What to expect instead: Banks and investment platforms will ask the trust to complete self-certification forms when opening accounts. These confirm the trustees' and beneficiaries' tax residency. Providing accurate self-certifications is a legal obligation on the trust.

Note: a trust that simply holds a bank account is an NFE even if the bank manages that account - the bank's management of its own deposit product does not make the trust a Managed Investment Entity.

IEIM400800

The corporate trustee case - Trustee-Documented Trusts

This applies only where there is a regulated corporate trustee in place. If your trust's trustee is a trust company or trust corporation that is itself a Reporting Financial Institution, the trust is a Trustee-Documented Trust (TDT). IEIM400990

- **Registration:** The corporate trustee registers the trust on HMRC's AEOI portal, naming itself as the contact.
- **Annual returns (CRS):** The corporate trustee files returns in the trust's name as the Reporting FI, where the TDT has Reportable Accounts. This is a separate submission from the trustee's own returns.
- **Annual returns (FATCA):** The corporate trustee files using the trustee's own name and GIIN as the Reporting FI, identifying the TDT in the account number or account identifier field.
- **Investment manager:** Has no AEOI obligation in relation to the trust. The distinction between the corporate trustee (who holds the trust) and the investment manager (who manages the assets) matters here.
- **2026 onward:** CRS and FATCA accounts for the same TDT must be in separate submissions.

Controlling Persons and equity interest holders - two different contexts

The rules about who gets reported depend on whether the trust is itself a Reporting FI or is an NFE holding an account with a bank or investment platform.

Context A - Trust is a Passive NFE with a bank or investment account

The bank or investment platform carries out due diligence and identifies the trust's Controlling Persons. For a trust, Controlling Persons are *all* of: settlors, trustees, protectors and beneficiaries - regardless of their proportionate interest and regardless of whether a discretionary beneficiary has received a distribution. Every one of them must be identified. If any is foreign-tax-resident, the bank's account held for that trust is a Reportable Account. IEIM403400

Context B - Trust is itself a Reporting FI (Managed Investment Entity or TDT)

The trust (via its trustees or the reporting trustee) reports on its own equity and debt interest holders. For a discretionary trust, a beneficiary holds an equity interest only in years they *actually receive a distribution*. For an interest in possession trust, the beneficiary holds an interest at all times. The settlor always holds an equity interest if they have any retained beneficial interest. See Section 6 step 1 for due diligence thresholds. IEIM401700

From 2026, the *role* of each Controlling Person or Equity Interest Holder must also be reported (settlor, trustee, beneficiary etc). For accounts opened before 1 January 2026, this is only required in 2026 and 2027 if that role information is already held in electronically searchable records.

HOW SOPHER + CO CAN HELP

We can support you through every stage of AEOI compliance - from determining whether you are in scope, through registration, to preparing and filing annual returns where required. Speak to us if you are unsure where your entity sits, or have not yet registered.

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