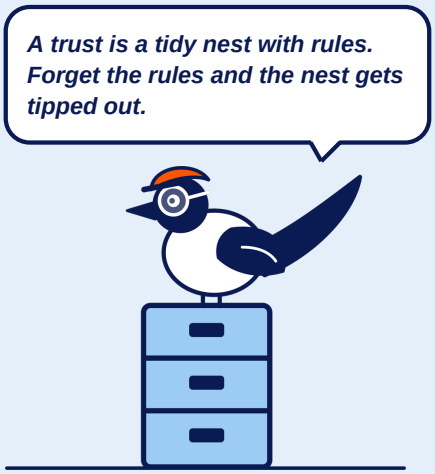
Cranleys
CHARTERED ACCOUNTANTS



CRANLEYS' CLEVER CHECKLISTS · No. 11 · GAINS, PROPERTY AND ESTATES

Trusts and Estate Planning Checklist 2026/27

Tick it, print it, pin it up. Every box you cannot tick is a conversation worth having.



By Colin Davison FCA, Managing Partner, Cranleys Chartered Accountants. In practice since 1998. Reviewed 15 November 2026 against the 2026/27 rules.

THE QUICK ANSWER

Trusts come in different types with different tax rules. Discretionary trusts can face a periodic charge of up to 6% every ten years, plus exit charges. Taxable and non-taxable trusts generally need registering on the Trust Registration Service within 90 days. Trustees owe duties that HMRC and beneficiaries can enforce.

THE KEY FIGURES

2026/27 figure	Amount
Periodic charge (relevant property trusts)	up to 6% every 10 years
Entry charge	20% above the nil-rate band
Trust registration	within 90 days
Trust capital gains tax	24%
Trust annual exempt amount	£1,500 for most trusts

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The checklist, box by box

	The check	What to do	Keep as evidence
☐	**Is the trust type right?**	Bare trust, interest in possession and discretionary trusts are taxed differently for income, gains and inheritance tax. Wrong type, wrong tax.	Trust deed, advice note
☐	**Are the 10 year and exit charges worked out?**	Up to 6% on value above the available nil-rate band at each tenth anniversary. Exit charges follow when assets leave.	Valuations, IHT100 returns
☐	**Is the trust registered on the TRS?**	Register within 90 days and update when details change.	TRS confirmation
☐	**Is the pilot trust arrangement drafted correctly?**	Several pilot trusts can waste nil-rate band if the drafting or timing is wrong.	Deeds, dates, advice
☐	**Has capital gains tax holdover been considered?**	Gifts into some trusts can use holdover relief. The settlor interested rules can block it.	Claim forms, valuation
☐	**Are trustee duties documented?**	Trustees act together, keep accounts, review investments and record decisions. A letter of wishes helps but is not binding.	Minutes, accounts, letter of wishes



MY PRO TIP

register the trust first, celebrate second.

A worked example

A discretionary trust holds £500,000 at its tenth anniversary and the nil-rate band is £325,000 with nothing used before. The charge is 6% of the £175,000 above it, which is £10,500. If assets leave five years later, the exit charge is roughly a quarter of the periodic rate for the quarters elapsed. Missing the registration brings penalties on top.

The trap to avoid

Setting up a trust and never registering it on the Trust Registration Service. HMRC charges penalties and may open an enquiry into the whole structure.

The case that matters

Futter v HMRC [2013] UKSC 26: trustees can only undo a mistaken decision where they breached their duty, so careful records matter.

Test your accountant

One question that tells you if you have the right adviser:

What type of trust do I have, and what is the next tax date or charge I need to plan for?

What has changed recently

- From 28 October 2026 the Budget changed how trustees' liabilities are valued for inheritance tax on relevant property trusts. Take advice before relying on loans against trust assets.
- Trusts remain a key part of estate planning. See the inheritance tax checklist.
- Trust gains are taxed at 24%.

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Questions I get asked

What is the 10 year charge on a trust?

A discretionary trust can face an inheritance tax charge at each tenth anniversary of up to 6% of the value above the available nil-rate band.

Do I need to register a trust?

Most trusts must register on the Trust Registration Service, normally within 90 days of creation or of becoming liable.

What is a bare trust?

One where the beneficiary is entitled to the assets and income outright, and is taxed as owner. Often used for children.

Can trustees ignore a letter of wishes?

It guides them but does not bind them. Trustees must act in line with the trust deed and their duties.

The 9 CAD Keys link: Consistency

Consistency in trusts means the paperwork, the registrations and the actual decisions match. Gaps are where problems start.

Colin's 9 CAD Keys. CORE: Clarity, Capability, Consistency. ADVANCED: Analysis & Positioning, Alignment, Acceleration. DYNAMIC: Differentiation, Dexterity, Development. Score each key 1 to 5 in the free Business Value Assessment Scorecard, total out of 45. *Freedom is built. One CAD Key at a time.*

Tick these next

Tax checklist 08
Inheritance Tax Checklist 2026/27: Nil-Rate Bands and Gifts

Tax checklist 09
Business Property Relief (BPR) Checklist 2026/27

Tax checklist 10
Agricultural Property Relief (APR) Checklist 2026/27

Tax checklist 26
Charitable Giving and Gift Aid Checklist 2026/27

Go deeper: my books

For this topic, start with **Inheritance Tax Secrets**, part of The Cranleys Business and Tax Secrets Series: Property Tax Secrets, Inheritance Tax Secrets, Business Tax Secrets, Starting Up Secrets, Business Growth Secrets and Business Exit Secrets. The books are launching soon. Join the launch list at cranleys.online/books and I will tell you the moment each one is released.

YOUR NEXT STEP

Ring me. Free draft plan, no hard sell.

I will build you a free draft tax plan or business plan on my 9 CAD Keys: a scorecard, a 12-month cashflow forecast, a 90-day action plan and a review with me. **1** Get in touch. **2** Short intro call. **3** Your free draft plan in plain English. You decide what happens next.

Tidy nests, happy beneficiaries.

WhatsApp 07999 900000 | **Office** 01256 830000
Email colin.davison@cranleys.co.uk
Web cranleys.online

Scan to read online, tick it on screen and take the Scorecard



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