

New UK CRS Rules: Registration Now Required for UK Investment Managers by 31 December 2025

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Summary

The International Tax Compliance (Amendment) Regulations 2025 (2025 Regulations) introduce a mandatory HM Revenue & Customs (HMRC) registration requirement for UK investment managers and other financial institutions under the Common Reporting Standard (CRS).

All UK investment managers must register with HMRC by 31 December 2025, even if they have no reportable "financial accounts." UK investment managers include fund managers authorised by the Financial Conduct Authority (FCA), portfolio managers, alternative investment fund managers (AIFMs) and other entities managing investments on a discretionary basis.

The change increases HMRC oversight but does not add annual reporting where there are no reportable accounts. A new penalty framework applies for failure to register and other compliance breaches. The 2025 Regulations also adopt selected optional CRS clarifications and extend certain due diligence timelines.

What has changed?

The 2025 Regulations implement the Organisation for Economic Co-operation and Development's (OECD) 2023 CRS update and align with the Crypto-Asset Reporting Framework (CARF). The key practical changes for UK investment managers include:

- **mandatory HMRC registration.** Reporting financial institutions and certain specified non-reporting financial institutions must register. This is a one-off registration but is required even if the manager has no reportable "financial accounts."
- **no new reporting where there is nothing to report.** Managers without reportable accounts remain outside annual CRS filing; the focus is registration and HMRC visibility.

- **reformed penalty regime.** Penalties now cover failure to register, due diligence and record-keeping failures, and late/inaccurate returns, with daily accruals for ongoing noncompliance.
- **CRS interpretation and optional text.** The United Kingdom incorporates selected optional CRS commentary (including "qualified non-profit entity") and provides for HMRC-published lists of reportable and participating jurisdictions.
- **timing updates.** Extended deadlines to meet "qualified credit card issuer" and "excluded account" statuses ease transition to the updated CRS.
- **gross proceeds election.** Reporting institutions may elect to report gross proceeds under CRS where CARF reporting applies; notification to HMRC is required by 31 May following the relevant year.

Who is affected?

Most UK investment managers (including FCA-authorized managers) are reporting financial institutions for CRS and must now register, even if they do not hold reportable accounts at manager level. Certain specified non-reporting financial institutions also have a one-off registration obligation. UK groups should confirm CRS status for each UK entity, not just the manager.

Key dates and compliance steps

The 2025 Regulations are in force from 16 July 2025. Core operational impacts apply from 1 January 2026, but the registration deadline is earlier.

- **Registration deadline.** Register with HMRC on or before 31 December 2025, or, if later, 31 January of the year after the entity first falls within a relevant CRS/Foreign Account Tax Compliance Act (FATCA) definition. Registration is by notice in the form and manner specified by HMRC directions.
- **Gross proceeds election.** If electing to report gross proceeds under CRS, notify HMRC by 31 May following the end of the relevant calendar year. Elections roll forward until withdrawn.

Practical implications for UK investment managers

For most UK investment managers, the immediate task is administrative, which is to complete the one-off HMRC registration. Managers without reportable accounts will generally have no annual CRS return to file. In practice, managers should:

- confirm CRS classification for each UK group entity and identify in-scope entities.
- register all in-scope UK entities by 31 December 2025.

- consider whether a gross proceeds election under CRS is desirable where CARF reporting applies.

Penalties and enforcement

Penalties now apply for failure to register, inadequate due diligence (including failure to obtain valid self-certifications), record-keeping breaches and late/inaccurate returns, with daily penalties for ongoing noncompliance. "Reasonable excuse" safeguards apply and duplicative penalties for the same act or omission are barred. HMRC has increased engagement with managers on historic compliance and may query lack of prior reporting.

Interaction with CARF and FATCA

UK CRS is aligned with CARF; the gross proceeds election enables coordinated reporting across regimes. The UK FATCA agreement is updated, and managers must continue to obtain and retain valid FATCA self-certifications where applicable.

**James Wells, a trainee in our London office, contributed to this advisory.*

This advisory was also published in *Thomson Reuters*: "[New UK Common Reporting Standard Rules: registration imminent](#)," November 27, 2025

CONTACTS

For more information, please contact your Katten lawyer or any of the following [Transactional Tax Planning](#) lawyers.



Charlotte Sallabank

+44 (0) 20 7776 7630

charlotte.sallabank@katten.co.uk



Daniel Lewin

+44 (0) 20 7770 5251

daniel.lewin@katten.com

Paternoster House, 65 St Paul's Churchyard • London EC4M 8AB

+44 (0) 20 7776 7620 tel • +44 (0) 20 7776 7621 fax

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