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STATUTORY INSTRUMENTS

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**2017 No. 446**

**INCOME TAX**

**The Scottish Infected Blood Support Scheme (Application of Sections 731, 733 and 734 of the Income Tax (Trading and Other Income) Act 2005) Order 2017**

<i>Made</i>	- - - -	<i>20th March 2017</i>
<i>Laid before the House of Commons</i>	- - - -	<i>21st March 2017</i>
<i>Coming into force</i>	- -	<i>13th April 2017</i>

The Treasury make the following Order in exercise of the power conferred by section 732(2) of the Income Tax (Trading and Other Income) Act 2005(1).

**Citation, commencement and interpretation**

1.—(1) This Order may be cited as the Scottish Infected Blood Support Scheme (Application of Sections 731, 733 and 734 of the Income Tax (Trading and Other Income) Act 2005) Order 2017 and comes into force on 13th April 2017.

(2) In this Order “Scottish scheme” and “Scheme beneficiary” have the meanings given in section 731(7) and (8) of the Income Tax (Trading and Other Income) Act 2005 (treated as inserted by article 2(2)(b)).

**Application of sections 731, 733 and 734 of the Income Tax (Trading and Other Income) Act 2005**

2.—(1) Sections 731, 733 and 734 of the Income Tax (Trading and Other Income) Act 2005 have effect with the following modifications in relation to payments made to a Scheme beneficiary pursuant to the Scottish scheme.

(2) In section 731 (periodical payments of personal injury damages)—

(a) in subsection (2)—

(i) the “or” at the end of paragraph (d) is treated as omitted; and

(ii) after paragraph (e) there is treated as inserted—

“, or

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(1) 2005 c. 5. Section 732(2) was amended by paragraph 3 of Schedule 2 to the Crime and Security Act 2010 (c. 17).

- (f) the Scottish scheme, so far as it relates to a Scheme beneficiary.”;
- (b) after subsection (6) there is treated as inserted—
- “ (7) In this section, “Scottish scheme” means the “Scheme of Support and Assistance for those Infected with Hepatitis C, HIV, or both, as a result of NHS treatment” made by the Scottish Ministers and dated 21st February 2017.
- (8) In this section and sections 733 and 734, “Scheme beneficiary” means a person listed in paragraph 3(1) of the Scottish scheme.”
- (3) For section 733(a) (persons entitled to exemptions for personal injury payments) there is treated as substituted—
- “ (a) the person (“A”) who is a Scheme beneficiary or who is entitled to the damages under the order, agreement, undertaking or to the compensation under the award in question,”.
- (4) In section 734(1)(a) (payments from trusts for injured persons) after “who is” there is treated as inserted “a Scheme beneficiary or who is”.

20th March 2017

*Andrew Griffiths*  
*David Evennett*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order applies sections 731, 733 and 734 of the Income Tax (Trading and Other Income) Act 2005 (periodical payments of personal injury damages) to certain periodical payments under a scheme established by the Scottish Ministers to persons infected by hepatitis C or HIV, or both, through contaminated blood or blood products used by the NHS. The effect of the Order is that no liability to income tax will arise for the recipients of these payments.

Article 1 defines the Scottish Scheme and Scheme beneficiary. The Scottish scheme is the “Scheme of Support and Assistance for those Infected with Hepatitis C, or HIV, or both, as a result of NHS treatment” made by the Scottish Ministers and dated 21st February 2017. A copy of the scheme document may be obtained on the website at <http://www.gov.scot/Topics/Health/Services/Blood> or upon request from Scottish Government, Blood Policy Team, 3E, St Andrew’s House, Regent Road, Edinburgh EH1 3DG. Scheme beneficiary is defined by reference to the provisions of the Scottish scheme.

Article 2 applies the exemptions from income tax in sections 731, 733 and 734 to payments made to a Scheme beneficiary pursuant to the Scottish scheme, subject to the modifications specified in that article.

A Tax Information and Impact Note covering this instrument will be published on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.