
STATUTORY INSTRUMENTS

2004 No. 1819

INCOME TAX

**The Thalidomide Children's Trust (Application
of Section 329AA of the Income and
Corporation Taxes Act 1988) Order 2004**

<i>Made</i>	- - - -	<i>14th July 2004</i>
<i>Laid before the House of Commons</i>	- - - -	<i>15th July 2004</i>
<i>Coming into force</i>	- -	<i>5th August 2004</i>

It appears to the Treasury that the Thalidomide Children's Trust, established by a declaration of trust made on 10th August 1973, makes provision for the making of periodical payments by way of compensation for personal injury;

Accordingly the Treasury, in exercise of the powers conferred upon them by section 329AB(3) of the Income and Corporation Taxes Act 1988(1), make the following Regulations:

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Thalidomide Children's Trust (Application of Section 329AA of the Income and Corporation Taxes Act 1988) Order 2004 and shall come into force on 5th August 2004.

(2) In this Order "the Thalidomide Children's Trust" means the Trust established by that name by a declaration of trust made on the 10th August 1973 by Sir Henry Gordon Willmer, Arthur Halsall Walton and Sir Donald Macleod Douglas.

Modified application of section 329AA of the Income and Corporation Taxes Act 1988

2.—(1) Section 329AA of the Income and Corporation Taxes Act 1988 (personal injury damages in the form of periodical payments) applies to periodical payments by the Thalidomide Children's Trust as it applies to payments to which subsection (1) of that section applies, but subject to the following modifications.

(2) In subsection (1)—

- (a) after "Where" insert "the Thalidomide Children's Trust makes periodical payments to a beneficiary of that Trust"; and

(1) 1988 c. 1; section 329AB was inserted by section 150 of Schedule 26 to the Finance Act 1996 (c. 8).

- (b) omit paragraphs (a) and (b).
- (3) In subsection (2)—
 - (a) for paragraph (a) substitute—
 - “(a) the person (“A”) entitled to the payments made by the Thalidomide Children’s Trust;”;
 - (b) in paragraphs (b) and (c) for “whether in pursuance of the agreement or order or otherwise” substitute “whether under the terms of the Thalidomide Children’s Trust or otherwise”.
 - (4) In subsection (3) omit “, if the agreement or order mentioned in that subsection or a subsequent agreement so provides,”.
 - (5) For subsection (5) substitute—
 - “(5) In this section “the Thalidomide Children’s Trust” means the Trust established by that name by a declaration of trust made on the 10th August 1973 by Sir Henry Gordon Willmer, Arthur Halsall Walton and Sir Donald Macleod Douglas.”.
 - (6) Omit subsections (6) to (8).

Nick Ainger
Joan Ryan
Two of the Lords Commissioners of Her
Majesty’s Treasury

14th July 2004

EXPLANATORY NOTE

(This note is not part of the Order)

This Order applies section 329AA of the Income and Corporation Taxes Act 1988 (c. 1) to periodical payments made by the Thalidomide Children's Trust established by a deed of trust on 10th August 1973, subject to modifications.

Article 1 provides for the citation and commencement of the Order and defines the Thalidomide Children's Trust for the purposes of the Order.

Article 2 applies section 329AA of the Income and Corporation Taxes Act 1988 to periodical payments made by the Thalidomide Children's Trust, subject to modifications specified in the article.

This Order does not impose any new costs on business.