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STATUTORY INSTRUMENTS

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**2010 No. 673**

**INCOME TAX**

**The MFET Limited (Application of Sections  
731, 733 and 734 of the Income Tax (Trading  
and Other Income) Act 2005) Order 2010**

<i>Made</i>	- - - -	<i>9th March 2010</i>
<i>Laid before House of Commons</i>		
	- - - - -	<i>10th March 2010</i>
<i>Coming into force</i>	- -	<i>1st April 2010</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 MFET Limited (Application of Sections 731, 733 and 734 of the Income Tax (Trading and Other Income) Act 2005) Order 2010 and shall come into force on 1st April 2010.

(2) In this Order “MFET Limited” and “Eligible Person” have the meanings given in respectively 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 (periodical payments of personal injury damages etc.) shall have effect with the following modifications in relation to payments made pursuant to a scheme or arrangement administered by MFET Limited to an Eligible Person.

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

(a) in subsection (2), the “or” at the end of paragraph (d) is treated as omitted and after paragraph (e) there is treated as inserted—

“, or

- (f) a scheme or arrangement administered by MFET Limited, so far as it relates to payments to an Eligible Person.”;
- (b) after subsection (6) there is treated as inserted—
- “(7) In this section “MFET Limited” means the company limited by guarantee of that name (company number 7121661).
- (8) In this section and sections 733 and 734 “Eligible Person” has the meaning given in the Articles of Association of MFET Limited which were adopted by special resolution passed on 5th March 2010.”.
- (3) In section 733(a) (persons entitled to exemptions for personal injury payments etc.)—
- (a) after “the person” there is treated as inserted “(“A”) who is an Eligible Person or who is”;
- (b) “(“A”)” is treated as omitted.
- (4) In section 734(1)(a) (payments from trusts for injured persons) after “who is” there is treated as inserted “an Eligible Person or who is”.

9th March 2010

*Frank Roy*  
*Tony Cunningham*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

## 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 (c. 5) (periodical payments of personal injury damages etc.) to certain periodical payments to persons infected by HIV 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 provides for the citation and commencement and defines MFET Limited and Eligible Person. MFET Limited is a company which has been set up to administer payments funded by the Department of Health to Eligible Persons (company number 7121661). An Eligible Person is defined by reference to MFET Limited's Articles of Association: these are certain persons infected with HIV through contaminated blood or blood products used by the NHS.

Article 2 applies sections 731, 733 and 734 to payments made to an Eligible Person pursuant to a scheme or arrangement administered by MFET Limited, subject to the modifications specified in the article.

A full Impact Assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.