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STATUTORY INSTRUMENTS

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**2017 No. 904**

**INCOME TAX**

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

*Made* - - - - *11th September 2017*  
*Laid before the House of*  
*Commons* - - - - *12th September 2017*  
*Coming into force* - - *23rd October 2017*

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 Infected Blood Schemes (Application of Sections 731, 733 and 734 of the Income Tax (Trading and Other Income) Act 2005) Order 2017 and comes into force on 23rd October 2017.

(2) In this Order “Infected Blood Scheme” has the meaning given in section 731(7) 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 pursuant to an Infected Blood 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

(f) an Infected Blood Scheme.”

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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).

(b) after subsection (6) there is treated as inserted—

“(7) In this section and sections 733 and 734, “Infected Blood Scheme” means a scheme for the purpose of making payments and providing support to, or in respect of, individuals infected with Hepatitis C, HIV or both, through contaminated blood or blood products used by the NHS, which is—

- (a) in relation to England, established under sections 1 and 2 of the National Health Service Act 2006(2) and administered by the NHS Business Services Authority(3),
- (b) in relation to Wales, established under sections 1 to 3 of the National Health Service (Wales) Act 2006(4) and administered by the Velindre NHS Trust(5), or
- (c) in relation to Northern Ireland, established under sections 2 and 3 of the Health and Social Care (Reform) Act (Northern Ireland) 2009(6) and administered by the Regional Business Services Organisation(7).”.

(3) For section 733(a) (persons entitled to exemptions for personal injury payments), there is treated as substituted—

“(a) the person (“A”) who is entitled to the damages under the order, agreement, undertaking, to the payments under the Infected Blood Scheme or to the compensation under the award in question,”.

(4) In section 734(1)(a) (payments from trusts for injured persons) for “or undertaking” there is treated as substituted “, undertaking or Infected Blood Scheme”.

*David Evennett*  
*Heather Wheeler*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

11th September 2017

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(2) 2006 c. 41. Section 1 was amended by section 1 of the Health and Social Care Act 2012 (c. 7). Section 2 was amended by paragraph 1(1) of Schedule 4 to the Health and Social Care Act 2012.

(3) The NHS Business Services Authority was established under article 2 of the NHS Business Services Authority (Awdurdod Gwasanaethau Busnes y GIG) (Establishment and Constitution) Order 2005 (S.I. 2005/2414).

(4) 2006 c. 42.

(5) The Velindre NHS Trust was established under article 2 of the Velindre National Health Service Trust (Establishment) Order 1993 (S.I. 1993/2838, amended by S.I. 1999/826).

(6) 2009 c. 1.

(7) The Regional Business Services Organisation was established under section 14 of the Health and Social Care (Reform) Act (Northern Ireland) 2009.

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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 for the purpose of making payments and providing support to, or in respect of, individuals infected with Hepatitis C, HIV or both, through contaminated blood or blood products used by the NHS. There are separate schemes being introduced in England, Wales and Northern Ireland.

The effect of the Order is that no liability to income tax will arise in relation to periodic payments made under those schemes.

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>.