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STATUTORY INSTRUMENTS

2024 No. 818

CAPITAL GAINS TAX
CORPORATION TAX
INCOME TAX
INHERITANCE TAX

The Horizon Convictions Redress Scheme and
Horizon Shortfall Scheme Fixed Sum Award
(Tax Exemptions and Relief) Regulations 2024

<i>Made</i>	- - - -	<i>25th July 2024</i>
<i>Laid before the House of</i>		
<i>Commons</i>	- - - -	<i>26th July 2024</i>
<i>Coming into force</i>	- -	<i>16th August 2024</i>

The Treasury make these Regulations in exercise of the powers conferred by paragraphs 2(5), 3(5), 4(3)(c) and 5(7) of Part 1 and 7(1)(e), 7(3), 9(3)(b) and (d) and (4) and 10(3)(b), (4)(b) and (5) of Part 2 of Schedule 15 to the Finance Act 2020(1).

Citation and commencement

1. These Regulations may be cited as the Horizon Convictions Redress Scheme and Horizon Shortfall Scheme Fixed Sum Award (Tax Exemptions and Relief) Regulations 2024 and come into force on 16th August 2024.

Interpretation

2.—(1) In these Regulations—

“Horizon Convictions Redress Scheme compensation payment” means a payment made by the Department for Business and Trade to a person under the scheme announced by His Majesty’s Government on 13th March 2024 to compensate people who have a conviction involving the Horizon system quashed by legislation;

(1) 2020 c. 14. Schedule 15 was amended by section 12 of the Finance Act 2024 (c. 3).

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“Horizon Shortfall Scheme Fixed Sum Award” means a payment of compensation made by Post Office Limited to a person eligible for compensation under the Horizon Shortfall Scheme or a nominated individual for the purpose of ensuring that person receives a total of £75,000 in compensation under that scheme;

“nominated individual” means any person who was a shareholder or a director of a company or a partner in a partnership which ceased to exist and that would have been eligible for compensation under the Horizon Shortfall Scheme.

(2) For the purposes of provision in these regulations made under Part 1 of Schedule 15 to the Finance Act 2020, “Horizon Shortfall Scheme”, “the Horizon system” and “Post Office Limited” have the same meaning as they do in Part 2 of that Schedule⁽²⁾.

Exemptions from income tax for Horizon Convictions Redress Scheme compensation payments and Horizon Shortfall Scheme Fixed Sum Awards

3.—(1) Horizon Convictions Redress Scheme compensation payments and Horizon Shortfall Scheme Fixed Sum Awards are qualifying payments for the purposes of paragraph 3 of Part 1 of Schedule 15 to the Finance Act 2020.

(2) This regulation applies to payments received on or after 13th March 2024.

Exemptions from capital gains tax for Horizon Convictions Redress Scheme compensation payments and Horizon Shortfall Scheme Fixed Sum Awards

4.—(1) Horizon Convictions Redress Scheme compensation payments and Horizon Shortfall Scheme Fixed Sum Awards are qualifying payments for the purposes of paragraph 4 of Part 1 of Schedule 15 to the Finance Act 2020.

(2) This regulation applies to disposals made on or after 13th March 2024.

Relief from inheritance tax for Horizon Convictions Redress Scheme compensation payments and Horizon Shortfall Scheme Fixed Sum Awards

5.—(1) Horizon Convictions Redress Scheme compensation payments and Horizon Shortfall Scheme Fixed Sum Awards are qualifying payments for the purposes of paragraph 5 of Part 1 of Schedule 15 to the Finance Act 2020.

(2) This regulation applies to deaths occurring on or after 13th March 2024.

Exemption from corporation tax for Horizon Shortfall Scheme Fixed Sum Awards

6.—(1) Horizon Shortfall Scheme Fixed Sum Awards are relevant compensation payments for the purposes of Part 2 of Schedule 15 to the Finance Act 2020.

(2) This regulation applies to payments received on or after 13th March 2024.

Exemption from income tax and capital gains tax for relevant onward payments of Horizon Shortfall Scheme Fixed Sum Awards

7.—(1) Paragraph 10(3)(b) of Part 2 of Schedule 15 to the Finance Act 2020 has effect in relation to payments received on or after 13th March 2024 for Horizon Shortfall Scheme Fixed Sum Awards.

(2) Paragraph 10(4)(b) of Part 2 of Schedule 15 to the Finance Act 2020 has effect in relation to disposals made on or after 13th March 2024 for Horizon Shortfall Scheme Fixed Sum Awards.

(2) These terms are defined in paragraph 13 of Part 2 of Schedule 15 to the Finance Act 2020.

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25th July 2024

Jeff Smith
Vicky Foxcroft
Two of the Lords Commissioners of His
Majesty's Treasury

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EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations provide for exemptions from income tax and capital gains tax and a relief from inheritance tax for Horizon Convictions Redress Scheme compensation payments and Horizon Shortfall Scheme Fixed Sum Awards and an exemption from corporation tax for Horizon Shortfall Scheme Fixed Sum Awards. Horizon Convictions Redress Scheme compensation payments are made by the Department for Business and Trade to people who have had a conviction involving the Horizon system quashed by legislation. Horizon Shortfall Scheme Fixed Sum Awards are made by Post Office Limited to people who are eligible for compensation under the Horizon Shortfall Scheme or are a nominated individual to ensure they receive a total of £75,000 in compensation.

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>.