STATUTORY INSTRUMENTS

2025 No. 867

CAPITAL GAINS TAX

INCOME TAX

INHERITANCE TAX

The Horizon Convictions Redress Scheme (Amendment) and Grenfell Support (Restorative Justice) Programme (Income Tax Exemption) Regulations 2025

Made - - - -	*15th July 2025*
Laid before the House of Commons	*16th July 2025*
Coming into force - -	*7th August 2025*

The Treasury make these Regulations in exercise of the powers conferred by paragraphs 2(5) and (6), 3(5), 4(3)(c) and 5(7) of Part 1 of Schedule 15 to the Finance Act 2020(**a**).

Citation and commencement

1. These Regulations may be cited as the Horizon Convictions Redress Scheme (Amendment) and Grenfell Support (Restorative Justice) Programme (Income Tax Exemption) Regulations 2025 and come into force on 7th August 2025.

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

2.—(1) The Horizon Convictions Redress Scheme and Horizon Shortfall Scheme Fixed Sum Award (Tax Exemptions and Relief) Regulations 2024(**b**) are amended as follows.

(2) In regulation 2(1) (interpretation), in the definition of "Horizon Convictions Redress Scheme compensation payment"—

(a) after "to a person" insert "eligible for compensation";

(b) for "to compensate people who have a conviction involving the Horizon system quashed by legislation" substitute—

"and who—

(a) had a conviction involving the Horizon system quashed by legislation,

(**a**) 2020 c. 14. Schedule 15 was amended by section 12 of the Finance Act 2024 (c. 3).
(**b**) S.I. 2024/818.

(b) had a conviction involving the Horizon system quashed by a court,

(c) received a caution of any kind for an offence involving the Horizon system,

(d) in Scotland received an alternative to prosecution within the definition given in section 4(5) of the Post Office (Horizon System) Offences (Scotland) Act 2024(**a**) or received a purported alternative to prosecution from the Post Office Limited(**b**), or

(e) was the subject of a criminal prosecution involving the Horizon system but was not convicted".

(3) In regulation 3(2) (income tax exemption) at the end insert ", subject to paragraph (3)".

(4) After regulation 3(2), insert—

"(3) For payments within sub-paragraphs (b), (c), (d) and (e) of the definition of "Horizon Convictions Redress Scheme compensation payment", this regulation applies to payments received on or after 3rd June 2025.".

(5) In regulation 4(2) (capital gains tax exemption) at the end insert ", subject to paragraph (3)".

(6) After regulation 4(2), insert—

"(3) For payments within sub-paragraphs (b), (c), (d) and (e) of the definition of "Horizon Convictions Redress Scheme compensation payment", this regulation applies to disposals made on or after 3rd June 2025.".

(7) In regulation 5(2) (inheritance tax relief) at the end insert ", subject to paragraph (3)".

(8) After regulation 5(2), insert—

"(3) For payments within sub-paragraphs (b), (c), (d) and (e) of the definition of "Horizon Convictions Redress Scheme compensation payment", this regulation applies to deaths occurring on or after 3rd June 2025.".

Exemption from income tax for payments made under the Grenfell Support (Restorative Justice) programme

3.—(1) A payment made by the Royal Borough of Kensington and Chelsea under the Grenfell Support (Restorative Justice) programme as a result of a person's eligibility, is a qualifying payment for the purposes of paragraph 3 of Part 1 of Schedule 15 to the Finance Act 2020.

(2) In this regulation, "Grenfell Support (Restorative Justice) programme" means the scheme approved by the Royal Borough of Kensington and Chelsea on 5th June 2024 for people who were affected by the fire at Grenfell Tower on 14th June 2017.

(3) This regulation has effect in relation to payments received on or after 5th June 2024.

Nicholas Dakin
Jeff Smith
15th July 2025 Two of the Lords Commissioners of His Majesty's Treasury

(**a**) 2024 asp 6.
(**b**) In the Horizon Convictions Redress Scheme and Horizon Shortfall Scheme Fixed Sum Award (Tax Exemptions and Relief) Regulations 2024 (S.I. 2024/818) "Post Office Limited" is defined in regulation 2(2) as having the same meaning as in Part 2 of Schedule 15 to the Finance Act 2020 (c. 14).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Horizon Convictions Redress Scheme and Horizon Shortfall Scheme Fixed Sum Award (Tax Exemptions and Relief) Regulations 2024 (S.I. 2024/818) to expand the definition of the Horizon Convictions Redress Scheme to include payments made by the Department of Business and Trade to eligible people who had a conviction involving the Horizon system quashed by a court; received a caution for an offence involving the Horizon system; in Scotland received an alternative to prosecution; or were the subject of a criminal prosecution, but not convicted for an offence involving the Horizon system. These payments are exempt from capital gains tax and income tax and relieved from inheritance tax with retrospective effect from 3rd June 2025.

These Regulations also provide for an exemption from income tax for payments made by the Royal Borough of Kensington and Chelsea under the Grenfell Support (Restorative Justice) programme as a result of a person's eligibility. Payments are made under the Grenfell Support (Restorative Justice) programme to people who were affected by the fire at Grenfell Tower on 14th June 2017. This exemption has retrospective effect in relation to payments received on or after 5th June 2024.

A Tax Information and Impact Note has not been prepared for this Instrument as it contains no substantive changes to tax policy.

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