STATUTORY INSTRUMENTS

2025 No. 1130

CAPITAL GAINS TAX
CORPORATION TAX
INCOME TAX
INHERITANCE TAX

The Post Office Capture Redress Scheme (Tax Exemptions and Relief) Regulations 2025

Made - - - -	*28th October 2025*
Laid before the House of Commons - - - -	*29th October 2025*
Coming into force - -	*20th November 2025*

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 Post Office Capture Redress Scheme (Tax Exemptions and Relief) Regulations 2025 and come into force on 20th November 2025.

Interpretation

2.—(1) In these Regulations—

"the Capture system" means any version of the computer system used by Post Office Limited known as Capture or the Capture Accounting System;

"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 Post Office Capture Redress Scheme;

"Post Office Capture Redress Scheme" means the scheme announced by His Majesty's Government on 19th June 2025 to compensate people adversely affected by the Capture system.

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

(2) For the purposes of provision in these Regulations made under Part 1 of Schedule 15 to the Finance Act 2020, "Post Office Limited" has the same meaning as it does in Part 2 of that Schedule(**2**).

Exemption from income tax for payments made under the Post Office Capture Redress Scheme

3.—(1) A payment of compensation made by the Department for Business and Trade to a person under the Post Office Capture Redress Scheme or to a nominated individual is a qualifying payment for the purposes of paragraph 3 of Part 1 of Schedule 15 to the Finance Act 2020.

(2) This regulation has effect in relation to payments received on or after 27th October 2025.

Exemption from capital gains tax for payments made under the Post Office Capture Redress Scheme

4.—(1) A payment of compensation made by the Department for Business and Trade to a person under the Post Office Capture Redress Scheme or to a nominated individual is a qualifying payment for the purposes of paragraph 4 of Part 1 of Schedule 15 to the Finance Act 2020.

(2) This regulation has effect in relation to disposals made on or after 27th October 2025.

Relief from inheritance tax for payments made under the Post Office Capture Redress Scheme

5.—(1) A payment of compensation made by the Department for Business and Trade to a person under the Post Office Capture Redress Scheme or to a nominated individual is a qualifying payment for the purposes of paragraph 5 of Part 1 of Schedule 15 to the Finance Act 2020.

(2) This regulation has effect in relation to deaths occurring on or after 27th October 2025.

Exemption from corporation tax for payments made under the Post Office Capture Redress Scheme

6.—(1) A payment of compensation made by the Department for Business and Trade to a person under the Post Office Capture Redress Scheme or to a nominated individual is a relevant compensation payment for the purposes of Part 2 of Schedule 15 to the Finance Act 2020.

(2) This regulation has effect in relation to payments received on or after 27th October 2025.

Exemption from income tax and capital gains tax for relevant onward payments for payments made under the Post Office Capture Redress Scheme

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 27th October 2025 for payments made under the Post Office Capture Redress Scheme.

(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 27th October 2025 for payments made under the Post Office Capture Redress Scheme.

(**2**) "Post Office Limited" is defined in paragraph 13 of Part 2 of Schedule 15 to the Finance Act 2020.

Christian Wakeford
Stephen Morgan
Two of the Lords Commissioners of His Majesty's Treasury

28th October 2025

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations provide for exemptions from capital gains tax, corporation tax and income tax and a relief from inheritance tax for payments received under the Post Office Capture Redress Scheme and for payments made to nominated individuals.

Relevant onward payments made by companies will be exempt from income tax and capital gains tax.

The Department for Business and Trade makes payments under the Post Office Capture Redress Scheme and to nominated individuals to compensate those who have been adversely affected by the Capture system.

These exemptions and the relief apply with retrospective effect in accordance with regulations 3(2), 4(2), 5(2), 6(2), 7(1) and 7(2) under the powers in paragraphs 3(5), 4(3)(c), 5(7), 9(4) and 10(5) of Schedule 15 to the Finance Act 2020.

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.