

Exemption of certain receipts. CATA 1976 s58 82.—(1) The following are not gifts or inheritances:

(a) the receipt by a person of any sum bona fide by means of compensation or damages for any wrong or injury suffered by that person in that person's person, property, reputation or means of livelihood;

(b) the receipt by a person of any sum bona fide by means of compensation or damages for any wrong or injury resulting in the death of any other person;

(c) the receipt by a person of any sum bona fide by means of winnings from betting (including pool betting) or from any lottery, sweepstake or game with prizes;

(d) any benefit arising out of—

(i) the payment to the Official Assignee in Bankruptcy of money which has been provided by, or which represents property provided by, friends of a bankrupt, or

(ii) a remission or abatement of debts by the creditors of a bankrupt,

to enable the bankrupt to fulfil an offer of composition after bankruptcy in accordance with section 39 of the Bankruptcy Act 1988 ; and

(e) any benefit arising out of—

(i) the payment to the Official Assignee in Bankruptcy of money which has been provided by, or which represents property provided by, friends of an arranging debtor, or

(ii) a remission or abatement of debts by the creditors of an arranging debtor,

to enable the debtor to carry out the terms of a proposal made by that debtor under section 87 of the Bankruptcy Act 1988 , which has been accepted by that debtor's creditors and approved and confirmed by the High Court.

(2) Notwithstanding anything contained in this Act, the receipt in the lifetime of the disponent of money or money's worth—

(a) by—

(i) the spouse or child of the disponent, or

(ii) a person in relation to whom the disponent stands in loco parentis,

for support, maintenance or education, or

(b) by a person who is in relation to the disponent a dependent relative under section 466 of the Taxes Consolidation Act 1997 , for support or maintenance,

is not a gift or an inheritance, where the provision of such support, maintenance or education, or such support or maintenance—

(i) is such as would be part of the normal expenditure of a person in the circumstances of the disponent, and

(ii) is reasonable having regard to the financial circumstances of the disponent.

(3) (a) In this subsection “incapacitated individual”, “trust funds” and “qualifying trust” have the meanings assigned to them, respectively, by section 189A ) of the Taxes Consolidation Act 1997 .

(b) The receipt by an incapacitated individual of the whole or any part of trust funds which are held on a qualifying trust, or of the income from such a qualifying trust, is not a gift or an inheritance.

(4) The receipt by a minor child of the disponent of money or money's worth for support, maintenance or education, at a time when the disponent and the other parent of that minor child are dead, is not a gift or an inheritance where the provision of such support, maintenance or education—

(a) is such as would be part of the normal expenditure of a person in the circumstances of the disponent immediately prior to the death of the disponent, and

(b) is reasonable having regard to the financial circumstances of the disponent immediately prior to the death of the disponent.