

2002 No. 702

TAXES

**The Capital Gains Tax (Annual Exempt Amount)
Order 2002**

Made - - - - - 15th March 2002

The Treasury, in pursuance of section 3(4) of the Taxation of Chargeable Gains Act 1992(a), hereby make the following Order:

1. This Order may be cited as the Capital Gains Tax (Annual Exempt Amount) Order 2002.
2. The amount specified, which by virtue of section 3 of the Taxation of Chargeable Gains Act 1992 is, unless Parliament otherwise determines, the exempt amount for the year 2002-03, is £7,700.

15th March 2002

Tony McNulty
Graham Stringer
Two of the Lords Commissioners of Her Majesty's Treasury

(a) 1992 c. 12; section 3 was amended by section 83 of the Finance Act 1993 (c. 34) and paragraph 3 of Schedule 21 to the Finance Act 1998 (c. 36).

EXPLANATORY NOTE

(This note is not part of the Order)

This Order specifies £7,700 as the amount which, under section 3 of the Taxation of Chargeable Gains Act 1992 (“the 1992 Act”), is the exempt amount for the year 2002–03 unless Parliament otherwise determines. Section 3(1) of the 1992 Act provides that an individual’s capital gains for a year of assessment are chargeable to capital gains tax only to the extent that they exceed the exempt amount.

By virtue of the Capital Gains Tax (Annual Exempt Amount) Order 2001 (S.I. 2001/636) the exempt amount for the year 2001–02 was specified as £7,500. The amount of £7,700 is the amount for 2001–02 increased by the amount of the percentage increase in the retail prices index for September 2001 over that for September 2000, and rounded up to the nearest £100 in accordance with section 3(3) of the 1992 Act (as amended by section 83 of the Finance Act 1993).

Under section 288(2) of the 1992 Act, “retail prices index” has the same meaning as in the Income Tax Acts; and “retail prices index” is defined in section 833(2) of the Income and Corporation Taxes Act 1988 (c. 1), as amended by paragraph 22 of Schedule 2 to the Transfer of Functions (Registration and Statistics) Order 1996 (S.I. 1996/273), as the “general index of retail prices (for all items) published by the Office for National Statistics”. The retail prices index for September 2000 is 171.7 and for September 2001 is 174.6 (based on January 1987 as 100) (see Table 3.1 on page T28 of the November 2001 issue (No. 576) of Economic Trends, a National Statistics publication).

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