

**2017 No. 377**

**CAPITAL GAINS TAX**

**The Capital Gains Tax (Annual Exempt Amount) Order 2017**

*Made* - - - -

*13th March 2017*

The Treasury make the following Order in discharge of the duty imposed by section 3(4) of the Taxation of Chargeable Gains Act 1992(a):

**Citation**

1. This Order may be cited as the Capital Gains Tax (Annual Exempt Amount) Order 2017.

**Exempt amount of capital gains for 2017-18**

2. The amount which is, by virtue of section 3 of the Taxation of Chargeable Gains Act 1992, the exempt amount for the tax year 2017-18 (unless Parliament otherwise determines) is £11,300.

*David Evennett*

*Robert Syms*

13th March 2017

Two of the Lords Commissioners of Her Majesty's Treasury

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(a) 1992 c.12. Relevant amendments to section 3 were made by section 8 of the Finance Act 2011 (c.11), section 34 of the Finance Act 2012 (c.14) and section 9 of the Finance Act 2014 (c.26).

## EXPLANATORY NOTE

*(This note is not part of the Order)*

Section 3 of the Taxation of Chargeable Gains Act 1992 (c.12) (“TCGA”) provides that an individual shall not be chargeable to capital gains tax in respect of so much of his taxable amount for any year of assessment as does not exceed the exempt amount for that year. Subsection (2) specifies the annual exempt amount (“AEA”) as £11,100. Subsection (3) provides that that amount is increased, unless Parliament otherwise determines, in relation to a tax year by reference to a formula prescribed by subsection (3B) if there has been a relevant increase in the consumer prices index (“CPI”).

Subsection (4) requires the Treasury to make an order before the start of the tax year showing the amount arrived at by applying that formula. This Order shows that the AEA for the tax year 2017-18 is £11,300.

The AEA for the tax year 2015-16 was set at £11,100 by Parliament in the Finance Act 2014 (c.26).

Since there was no relevant increase in the CPI for the tax year 2016-17 there was no corresponding increase to the AEA and so no Order was made in respect of that tax year.

The 12 month percentage increase in the CPI for the year ending September 2016 was 1%. In accordance with the formula prescribed by subsections (3) to (3B) the AEA has been increased by 1% and rounded up to the nearest £100.

The CPI (% change) is a publication of the Office of National Statistics and can be found at:

<http://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7g7/mm23>

or by writing to Customer Contact Centre, Office for National Statistics, Room D265, Government Buildings, Cardiff Road, Newport, South Wales NP0 8XG.

A Tax Information and Impact Note has not been prepared for this instrument as it gives effect to previously announced policy and relates to routine changes to an allowance in accordance with a predetermined indexation formula.

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£4.25

UK201703144 03/2017 19585

<http://www.legislation.gov.uk/id/uksi/2017/377>

ISBN 978-0-11-115639-1



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