

# UK financial services, regulation and ethics

## CF1 July 2013 edition

### Web update 4: 22 January 2014

Please note the following update to your copy of the July 2013 edition of the **CF1: UK financial services, regulation and ethics** study text.

### Chapter 7, example 7.14, page 7/18

Please replace current example with the following (amendments in **bold text**):



#### Example 7.14

Assume Mrs Wittering makes a capital gain for 2013/14 of £11,000 but has losses of £12,000 to bring forward from previous years. The CGT exemption for 2013/14 is £10,900. Her CGT liability for 2013/14 will be calculated as follows:

|  |               |
|--|---------------|
|  | £             |
| Chargeable gain for 2013/14:                           | 11,000        |
| Amount of loss used to bring gains to exemption limit: | <b>100</b>    |
| Taxable gain:  | 10,900        |
| Less annual exemption:                                 | 10,900        |
| Amount liable to CGT in 2013/14:                       | 0             |
| Carry forward loss = 12,000 – <b>100</b> :             | <b>11,900</b> |

If Mrs Wittering's carry forward loss had been £20,000 instead of £12,000, the calculation would have been:

|  |               |
|--|---------------|
|  | £             |
| Taxable gain for 2013/14:                              | 11,000        |
| Amount of loss used to bring gains to exemption limit: | <b>100</b>    |
|  | 10,900        |
| Less annual exemption:                                 | 10,900        |
| Amount liable to CGT:                                  | 0             |
| Carry forward loss = 20,000 – <b>100</b> in 2013/14:   | <b>19,900</b> |