



Leach's Tax Dictionary: Preface

Provided by Tax Training Ltd. www.taxtrainingltd.co 020 8224 5695. October 2018

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General scope

The tax dictionary lists terms that may be encountered by tax practitioners and by those who work in adjacent disciplines.

For some terms that are very specialist or particularly complex, the dictionary entry is restricted to indicating the source in tax law where the term is used.

Similarly, where a meaning is obvious but is still defined in tax law, the source is identified without any further attempt to define the term.

For a few terms, the entry is followed by a box containing a quotation from a case or other authoritative source where it is believed that this will add to the understanding of the term.

Terms for all taxes levied in the UK are included. The dictionary also includes a few notes on taxes levied in other countries. These mainly relate to Europe and the USA.

The dictionary also lists relevant abbreviations.

Both tax and adjacent disciplines move so quickly that this dictionary will probably never be in a final state. It will always be work in progress. The dictionary is constantly being updated with new versions periodically produced.

Adjacent disciplines

Because tax does not exist in isolation, the dictionary includes terms from adjacent disciplines where this could assist the reader.

Because tax computations must comply with accounting standards, all financial accounting and some management accounting terms are included. The dictionary includes both UK and international accounting standards, and includes relevant UK and international auditing standards.

Many terms have also been included relevant to banking, human resources, insurance, investment, legal tender, national minimum wage, pensions and social security.

Many legal terms have been included, particularly for agency law, company law, Customs law, employment law and insolvency law. These are in addition to general legal terms, including Latin expressions. The inclusion of a statement in Latin with English translation does not necessarily mean that the statement represents current and correct UK law.

Where relevant, some terms have been included from commercial law, criminal law, family law, property law and other branches of law. Terms from Scots law are included.

Where it may assist dictionary users, a few terms have been included from remoter disciplines, such as advocacy, business management, computing, economics, engineering, environment, geography, history, logic, mathematics, philosophy, politics, postal services, psychology, science, statistics, telecommunications, transport, and weights and measures.

Ordinary terms

In addition to defining tax terms, the dictionary lists many ordinary terms, such as **car** and **water**.

The dictionary then explains the tax provisions that apply to the item listed.

Nature of work

This text is a dictionary and not a tax guide nor a detailed book of tax law. Its function is to define and, in some instances, explain terms. Entries in this book should not be regarded as definitive nor as exhaustive explanations of the law. Many definitions indicate sources where further information can be found.

The text does not list court cases, with a few limited exceptions where cases have assumed such importance that their names may be regarded as tax vocabulary.

Equally the book does not generally list individuals, companies or publications. Again exceptions are made where the name has become widely noted. For example, brief notes are included on all recent Chancellors of the Exchequer, prime ministers and governors of the Bank of England. In addition, the text lists some individuals who have made contributions to developing policy or thinking in relevant areas.

With over 500 tax cases each year, it is not possible to include every judicial comment on the meaning of a term. Therefore comments from cases are restricted to the few instances where they provide definitive guidance or usefully clarify a term.

Most of the terms in the book relate to current taxes, including recently repealed provisions and old provisions that can still apply in current situations. There are a few historic notes on taxes and tax provisions that are now repealed. This can help understand historic documents and sometimes help to understand current provisions. Such historic information is not always easy to obtain.

Conventions used

Throughout the book, words printed in **bold type** in an entry refer to other entries in the dictionary which may assist the user in understanding the original entry. The other form may be in a different word form, such as a plural or different verb form.

Terms printed in italics refer to parts of the entry which the author wishes to emphasise to the reader. Italics are also used for the names of works of literature and similar that may be quoted.

All bold and italic type is editorial unless stated otherwise.

Where there are statutory or other authoritative definitions, these are reproduced where this is considered likely to assist the reader. However it should be realised that a text of this size cannot be exhaustive in this matter.

Some terms in tax are of obvious use in a particular area and have therefore been excluded. For example, no value is seen in listing all the places where terms such as “relevant amount” or “appointed day” are used.

Terms are listed in alphabetical order, ignoring where words end. So **accounting standards** appears before **account of estate**. Among other reasons, this avoids problems with terms like **cashflow** which are variously used as one word and two words. It is also the convention now generally being adopted by dictionaries.

Abbreviations are included in the main text on the same basis. For alphabetical order, numbers are regarded as standing before the alphabet, except that terms starting with a number are listed at the end of the book after Z. Signs such as / and hyphens are ignored for determining alphabetical order. A few terms using non-English alphabets are given at the very end of the dictionary.

Where an entry becomes long because of many tax provisions, it is broken up under sub-headings.

Sometimes notes on the correct use of the word are added to the end of an entry.

Definite articles and indefinite articles, namely the word *a*, *an* and *the* are omitted from entries except where their inclusion is essential, such as *The Times*.

Authoritative sources

Verbatim quotes from authoritative sources are indicated by “speech marks”. Quotations within quotations are indicated by ‘single speech marks’ regardless of how they were punctuated in the original.

In quotations, words in square brackets do not appear in the original text but have been added so that the extract is grammatical and makes sense. Conversely, irrelevant parts of a quote are excluded and indicated by an ellipsis Both of these practices have been kept to a minimum.

Quoting legislation

Acts of Parliament are quoted extensively, such as Income Tax Act 2007. The main Act comprises sections indicated as Income Tax Act 2007 s14. The name of the Act is always given in full.

Numbers in brackets indicate sub-sections, such as Income Tax Act 2007 s504(1).

After the sections, Acts may have Schedules divided into paragraphs. These are indicated as Income Tax Act 2007 Sch 2 para 89(1).

The inclusion of a capital letter or letters in a section, sub-section, Schedule or para indicates that this has been subsequently added by another Act. For example: Income Tax Act 2007 s564M was added by Taxation (International and Other Provisions) Act 2010 s365 and Sch 2 para 14. For recent additions, the dictionary often also lists the Act which added the provisions.

A statutory instrument (SI) is a form of secondary legislation which broadly has the same force of law as an Act of Parliament. These are quoted in the form SI 2003 No 2682.

Scottish Statutory Instruments are issued by the Scottish Parliament. They are designated as SSI and otherwise follow the conventions of SIs.

Where text is quoted from an Act, SI or SSI, it appears in the form as may have been amended by the operative date of this text as indicated in the page heading.

The tax authorities produce statements of practice in the form SP1/06. That means the first such statement produced in 2006. They also produce extra-statutory concessions in the form C16.

The dictionary also quotes from **Inspector’s Manuals**, published by HMRC. From 2015, HMRC referred to new manuals as Tax Manuals. However, we have continued to use the term Inspector’s Manual for publications before 2015.

There are many types of tax notices and leaflets, Briefs that deal with specific issues. These and other forms of guidance are included as appropriate.

It should be appreciated that Inspectors' Manuals, HMRC notices, leaflets and Tax Briefs represent HMRC's opinion of tax law. They are not definitive statements of law. It is possible that a court or tribunal may decide that HMRC's opinion is not correct or not to be preferred.

Some terms are taken from publications and websites of authoritative bodies.

Many details of tax are resolved in hearings in the courts or tribunals. These **tax cases** are indicated by the names of the parties and the year the case was heard as in *Furniss v Dawson* [1984].

Tax cases can have one or more citation. For court cases, there is now a standardised citation. The High Court is EWHC; Court of Appeal EWCA and House of Lords UKHL. From 1 October 2009, the Supreme Court replaces the House of Lords as the final court. Its citation is SC. Citations from other law reports are included. Citations include *The Times* law reports.

Traditionally the year of the law report is indicated in square brackets, such as [1932].

Inland Revenue (HMRC from 2005) authorises its own series of law reports indicated as a number, TC and another number. For example, *Guest Keen & Nettlefolds Ltd v Fowler* [1910] 5 TC 511, means a case brought by Guest Keen & Nettlefolds Ltd against Mr Fowler. The case was heard in 1910. It is listed in the Inland Revenue case reports volume 5 starting on page 511.

Decisions of tax tribunals are indicated as TC followed by a number, such as TC 2625. The numbers run sequentially from 1 when the tribunals were established in 2009.

Previous decisions are indicated as SpC for Special Commissioners' decisions between 1995 and 2009, and VTD for VAT Tribunal Decisions from 1973 to 2009. Other tribunals are indicated by having their name written in full.

Accounting standards

Accounting standards in the UK from 1 January 2015 take the form of Financial Reporting Standards numbered FRS 100 and upwards. The main standard is FRS 102. The vocabulary from these standards is included in the dictionary.

Previous standards were issued by the Accounting Standards Board from 1990 in the form of Financial Reporting Standards 1 to 30. Previously standards were issued by the Accounting Standards Committee from 1971. These were known as Statements of Standard Accounting Practice (SSAPs). Although FRS 1 to 30 and SSAPs cease to be applicable for accounting periods from 1 January 2015, many definitions from them are retained as they provide assistance for older accounts and can also usefully provide complementary guidance to current standards.

Separately, there are International Accounting Standards (IFRSs and IASs) produced by the International Accounting Standards Board, which are also quoted.

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Concluding remarks

A book of this nature is constantly changing. Indeed, the scope for what should be included seems almost endless. For this reason, the dictionary is constantly being expanded, updated and amended. The text of the dictionary should therefore always be regarded as provisional rather than final.

Any comments about how the dictionary or any of its entries can be expanded, amended or corrected are welcome. Please send them directly to the author at robert.leach04@gmail.com.

It has to be said that neither the author nor Tax Training Ltd can accept any responsibility for any error or misstatement contained in the text, nor for any consequential loss. Use of this dictionary is no substitute for obtaining professional advice.

I have enjoyed compiling this dictionary. I hope that this dictionary will prove useful to my fellow tax accountants and other users.

*Robert Leach FCCA FCA
Epsom, October 2018*