



Leach's Tax Dictionary

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020 8224 5695.

October 2018

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Co

- CO** (1) **Commanding officer**, in armed forces.
(2) In trade union law, certification officer.
- co** **Company.**
- co-** Prefix for someone working in conjunction with yourself, such as co-worker or co-director.
- CO₂** Carbon dioxide.
- coach** (1) Person who trains others, particularly in sport.
(2) Means of transport. Before the 1830s, these were stagecoaches, which went into sharp decline with the advent of the railway.
- coaching** Human resources term for methods designed to maximise performance by a team or workforce.
- COAD** Chronic obstructive airways disease. Common abbreviation for sick notes (HMRC leaflet E14).
- COAF** Part of the Financial Services Authority handbook that deals with complaints against the Authority.
- coal** *General*
Combustible solid black (or occasionally brown) sedimentary rock that occurs in geological veins and is mined to be burned as a source of energy. It is fossilised plant material.
Coal remains the largest source of energy worldwide (particularly in China), though no longer in Britain. On 21 April 2017, the UK used no coal in producing electricity for the first time since power stations were introduced in 1882.
Coal is an inefficient form of electricity production, though modern methods have improved thermal efficiency from 25% to over 45%. It is also discouraged as its smoke is environmentally damaging, as it includes large amounts of carbon dioxide.

Coal was also used to make town gas, comprising carbon monoxide and hydrogen.

Venture capital trusts

Producing coal is excluded from eligibility for venture capital trusts under it s307B. Section 307B(3) clarifies that producing coal includes extracting it.

The section defines coal according to EC Regulation 1407/2002 on state aid to the coal industry. This says in Chapter 1 Article 2 (a) that coal “means high-grade, medium-grade and low-grade category A and B coal within the meaning of the international codification system for coal laid down by the United Nations Economic Commission for Europe (8)”.

This document was produced by United Nations in 1988. It broadly defines high-rank coal as having a gross calorific value of at least 24 MJ/kg.

Value added tax

For VAT, coal may be reduced rated under Value Added Tax Act 1994 Sch 7A Group 1 when supplied for domestic use. Further details are given in VAT notice 701/19. A supply of up to one tonne is usually accepted as for domestic use.

Free coal to miners

Free coal provided to a miner or former miner, or an allowance in lieu of such coal, is tax free under Income Tax (Earnings And Pensions) Act 2003 s306. It was previously tax free under extra-statutory concession A6.

The government may buy out this right under Small Business, Enterprise and Employment Act 2015 s158.

In 2012, it was disclosed that 77,261 individuals still received either four tons of free coal a year (then worth £1,400) or a cash allowance of £520.

coalition

Coming together of different bodies, particularly political ones, in face of a common enemy. Differences are temporarily set aside.

coalition government

Government by a combination of more than one party, particularly the Conservative-Liberal Democrat government formed after the 2010 general election until 2015.

coal tax

Tax charged between 1695 and 1831.

This was charged on “sea-coal” (because it was carried on vessels) rather than “wood coal” (charcoal). Charges had been levied before to discourage use to avoid harmful smoke. There was a form of coal tax during the Commonwealth. This was followed by an earlier coal tax to fund the rebuilding of churches. A general coal tax was introduced in 1695. It was constantly opposed by merchants as anti-trade until its repeal in 1831. The City of London was allowed to charge it until 1890.

coarse grains

Another name for **foddergrains**.

coastal erosion

“The erosion of the coast of any part of England or Wales” (Flood and Water Management Act 2010 s1(4)).

Expenditure incurred from 1 January 2015 on prevention coastal erosion is tax-deductible under Income Tax (Trading and Other Income) Act 2005 s86A as inserted by Finance Act 2015 Sch 5.

coastal tariffs

A form of export duty charged from 1507. Customs tariffs were significantly increased with great success. From 1487 coastal trade required a certificate.

coasting school

School that is not performing well (Education and Adoption Act 2016 s1).

coasting ship

Ship used for traffic between places in the UK and Isle of Man, known as **coastwise traffic**.

It is an offence for a coasting ship to import goods to the UK.

coasting trade

Moving goods by sea from one place in the UK or Isle of Man to another. The Customs provisions are given in Customs and Excise Management Act 1979 from s69.

coastwise traffic

Sea traffic between places in the UK and Isle of Man.

It is assumed that such ships, known as **coasting ships**, are not being used for the import of goods. It is an offence for them to do so.

COB

- (1) Close of business.
- (2) In investment, conduct of business.

Cobbold, Cameron

English banker (1905-87) who was governor of the Bank of England between 1949 and 1961.

COBRA

Politics

Cabinet Office Briefing Room A.

This is a secure room at government premises where emergency decisions are made. COBRA meetings are chaired by the prime minister or a senior minister.

American law

Consolidated Omnibus Reconciliation Act 1985.

American law that gives employees certain rights to continue in the employer's health plan after the employment has ended.

COBS

Conduct of Business Sourcebook, a publication of the Financial Services Authority issued on 1 November 2007.

COCIS

Contracted out contribution information service.

cocoa

This is zero-rated for VAT.

Under Value Added Tax 1994 Sch 8 Group 1, food is generally zero-rated. Excepted Item 3 standard-rates beverages. Items Overriding The Exception 5 reverses the exception, thus reinstating the zero-rating.

Further guidance is given in VAT Notice 701/14.

Cocoa was subject to excise duty until 1962.

COD	(1) Contracted-out deduction (2) Cash on delivery.
CoD	Certificate of destruction.
code	<i>General</i> Letters or numbers with no intrinsic meaning, but which provides a means of identification against a predetermined list. <i>Tax code</i> For PAYE, the term “means — (a) a combination of letters, numbers or both for use in accordance with the tax tables to establish free pay, additional pay, total free pay to date or total additional payment to date; (b) any of the special codes (whether expressed in words or represented by a combination of letters, numbers or both) for use in accordance with the tax tables or otherwise” (PAYE Regulations SI 2003 No 2682 reg 7(1)). <i>Set of rules</i> Set of rules and procedures to govern particular eventualities.
codecision power	Provision introduced under Maastricht Treaty that allows the European Parliament to veto certain legislation.
code number	Original term for tax code when PAYE was introduced.
Code Napoléon	French system of law introduced by Napoleon in 1807 and which is still the basis of French law.
code of conduct	Another term for code of practice . The term has a specific meaning in Localism Act 2011 s28(1) which requires such a code to follow the principles of: <ul style="list-style-type: none">• selflessness• integrity• objectivity• accountability• openness• honesty• leadership.
code of practice (COP)	Set of rules and procedures which govern a body's ethical standards in a particular area. HMRC have such codes known as COP 1 etc.
codicil	Document which is executed in the same manner as a will but which amends provisions in an existing will while leaving other provisions unchanged. The law is Wills Act 1837 ss1, 9.

codifying statute	Act of Parliament that sets out the current state of law in a single document. Examples include Law of Property Act 1925 and Theft Act 1968.
coding	Practice of applying a code , particularly in giving a tax code to an employee.
coding out	<p>Method of recovering unpaid tax by adjusting a person's PAYE tax code (Income Tax (Earnings And Pensions) Act 2003 s684).</p> <p>From 6 April 2015, coding out may be used to collect up to £3,000 from taxpayers who earn up to £30,000. The maximum then rises by £2,000 for each subsequent £10,000 of income to a maximum of £17,000 that may be coded out against incomes of more than £90,000.</p> <p>Before 6 April 2015, coding out could be used to recover up to £3,000, regardless of income. Before 6 April 2012, the limit was £2,000.</p> <p>An employee who wishes a sum to be coded out must submit him or her tax return by 31 December, one month before the deadline that otherwise applies.</p>
co-director	Person who is a director of the same company as another person.
CO₂ emissions figure	<p><i>General</i></p> <p>Amount of carbon dioxide from the exhaust of a car, expressed as so many grams per kilometre. This figure is used for many tax purposes, such as to determine the amount of vehicle excise duty payable, and the notional charge for providing a company car to an employee.</p> <p>These figures must be produced for all cars first registered from 1 March 2001. They may be found on the Vehicle Certification Agency website at https://www.gov.uk/co2-and-vehicle-tax-tools.</p> <p><i>Capital allowances</i></p> <p>The emissions figure determines the capital allowance that may be claimed. The categories from April 2015 are:</p> <ul style="list-style-type: none">• above 130 gm/km: writing down allowance of 8%• between 76 and 130 gm/km: writing down allowance of 18%• up to 75 gm/km: 100% first year allowance, and 18% writing down allowance if not fully claimed. <p>For 2013/14 and 2014/15, the break points were 130gm/km and 95 kg/gm.</p> <p>For 2009/10 to 2012/13, the break points were 160gm/km and 110gm/km.</p> <p><i>Value added tax</i></p> <p>For VAT, the term "means a CO₂ emissions figure expressed in grams per kilometre driven" (Value Added Tax 1994 s57(9)).</p>
co-employment	In human resources, an American term for the relationship between a professional employer organisation or employee leasing firm and an employer, based on the contractual sharing of liability for employees.

cod liver oil	For VAT, such products are not zero-rated as food. <i>Marfleet Refining Co Ltd [1974] VTD 129.</i>
coercion	Forcing someone to do something against a will. As a defence to criminal proceedings, it is available only to a wife coerced by her husband.
COFACE	Compagnie Française pour l'Assurance du Commerce Extérieur , the French equivalent to the Export Credits Guarantee Department.
coffee	<p>Value added tax</p> <p>This is zero-rated for VAT when sold as a product for making a drink.</p> <p>Under Value Added Tax 1994 Sch 8 Group 1, food is generally zero-rated. Excepted Item 3 standard-rates beverages. Items Overriding The Exception 4 reverses the exception, thus reinstating the zero-rating.</p> <p>When coffee is served as a drink, it is standard-rated as catering.</p> <p>Further guidance is given in VAT Notice 701/14.</p> <p>Excise duty</p> <p>Coffee was subject to an excise duty. This was relaxed in 1825 to experiment with free trade, and finally abolished in 1962.</p> <p>Income tax benefit</p> <p>Coffee provided free or subsidised at work is not a taxable benefit (Income Tax (Earnings And Pensions) Act 2003 s317).</p>
coffin	For VAT, the supply of a coffin as part of a funeral service is exempt. If supplied separately, it is standard-rated. Further details are given in VAT notice 701/32.
COF index	Cost of Funds Index. This is an index of interest rates on US Treasury bills and Treasury notes. It is sometimes used to calculate mortgage loans in the USA.
COG	Prefix for HMRC's tax manual on compliance operational guidance.
cogitationis poenam nemp patitur	Latin: the thoughts and intents of men are not punishable.
cognates	Person descended from a common ancestor.
cognisance	Judicial notice or knowledge, or jurisdiction.
cognitive ability testing	In human resources, method to test a person's learning and reasoning abilities.
cognovit	Latin: he has confessed. An acknowledgment in law that a plaintiff's cause is just.
cognovit actionem	Latin: he has confessed the action.

cohabitant	<p>“A couple consisting of:</p> <ul style="list-style-type: none">(a) A man and a woman who are (or were) living together as if they were husband and wife; or(b) two persons of the same sex who are (or were) living together as if they were civil partners” (Family Law (Scotland) Act 2006 s25(1)).
cohabitation	<p>Living with someone as though they are married or in a civil partnership without having completed the legal formalities of marriage or civil partnership.</p> <p>In general, a cohabiting couple do not have the same rights and duties as those who have completed the formalities. There is an exception under Scots law.</p> <p>Compared to a married couple, a cohabiting couple have the disadvantages of no spousal exemption for inheritance tax and no marriage allowance for income tax. They have the advantages of being able to claim main residence relief for two properties and of not risking businesses being treated as associated for corporation tax.</p> <p>There are some financial implications of cohabitation, as some social security benefits treat cohabitation on the same basis as marriage.</p>
cohaerdes sunt quasi unum corpus, propter unitatem juris quod habent	<p>Latin: co-heirs are regarded as one person on account of the unity of title which they possess.</p>
co-heir	<p>Person with whom you are due to share an inheritance.</p>
Cohen Committee	<p>Committee chaired by Lord Cohen which reported in 1945 on changes to improve Companies Act 1929. Issues particularly considered were capital maintenance, company names, memoranda of association, nominee shareholders, private companies, prospectuses, standards of management and accounting requirements. Many recommendations were enacted as Companies Act 1948.</p>
coheritor	<p>Person with whom someone shares an inheritance.</p>
cohort	<p>Group of individuals who share a common factor.</p>
Coimisean Fiosgail na h-Alba	<p>Scots Gaelic: Scottish Fiscal Commission.</p>
COIN	<p>Continuously offered intermediate note.</p>
coin	<p><i>General</i></p> <p>Metallic token used as a means of exchange avoiding the need for barter.</p> <p>Originally a coin was simply a piece of precious metal, such as gold or silver. It was stamped with a picture of the ruler and a symbol to denote its provenance and weight.</p> <p>The two traditional functions of money are a means of exchange and store of value. Coins perform these functions separately as currency and bullion. In addition, commemorative coins are also produced as souvenirs and for collectors.</p>

Modern coins have intrinsic value less than face value. The difference is called **seigniorage** which is sometimes seen as a tax.

Tax implications

Coins that are ordinary currency are treated as an ordinary current asset.

Coins come within the scope of a chattel for inheritance tax but sterling currency is specifically excluded.

Demonetised coins, which includes pre-1837 sovereigns, are chattels for which the chattels exemption may be claimed.

Collectors' coins are normally subject to VAT, regardless of whether they are legal tender. Coins that come within the scope of investment gold are exempt from VAT. Other second-hand coins may come within the scope of second-hand goods.

coinage duty	Ancient charge once imposed in Cornwall.
co-insurance	An arrangement by which a number of insurance companies cover a particular risk.
co-invest	Share in the cost of. In relation to apprenticeship levy, the term refers to the 10% contribution that a non-levy payer is required to pay towards the cost of an apprentice.
co-investment	In relation to carried interest for investment management services, the term is defined in Taxation of Capital Gains Act 1992 s103KA(8).
co-investment repayment or return	In relation to carried interest for investment management services, "means a repayment in whole or in part of, a return on, a co-investment " (Taxation of Capital Gains Act 1992 s103KA(8)).
coin weight	Piece of metal that weighs the same as a particular coin and can be used on a balance to check against clipping or erosion.
coke	Solid residue from the distillation of coal such as after the production of tar or coal gas. This residue may be used as fuel. For VAT, coke may be reduced rated under Value Added Tax Act 1994 Sch 7A Group 1 when supplied for domestic use. Further details are given in VAT notice 701/19. HMRC accepts that a supply of up to one tonne is for domestic purposes. [The word is also used to mean cocaine or Coca-Cola.]
COLA	Cost of living adjustment.
cold calling	Approach by a sales person to someone with whom there is no existing trading relationship. Such practices are subject to various codes of practice.

cold room	This is listed in Capital Allowances Act 2001 s23 List C as an item that is not affected by the provisions of s21 (buildings) or s22 (structures). This means that its eligibility for capital allowance depends on the nature and purpose of the item.
cold-spell heating assistance	Money or other assistance that may be provided in Scotland under Social Security (Scotland) Act 2018 s29.
cold start	Colloquialism for a new business where there is no history on which to base financial expectations.
cold store	This is listed in Capital Allowances Act 2001 s23 List C as an item that is not affected by the provisions of s21 (buildings) or s22 (structures). This means that its eligibility for capital allowance depends on the nature and purpose of the item.
cold water system	For capital allowances, this may qualify as a feature integral to a building (Capital Allowances Act 2001 s33A).
cold weather payment	Social Fund payment to certain categories of people when the weather is expected to be below 0C for seven consecutive days.
colinearity	In statistics, a high correlation between two variables.
COLL	Collective Investment Schemes sourcebook, produced by Financial Services Authority.
collapsible corporation	American term for a tax avoidance scheme that involves setting up a corporation and then disincorporating it before profits are earned. The profits then become a capital gain for the shareholders.
collar	(1) In finance, a minimum rate in a transaction whereby the rate fluctuates. The term is used for cap and collar mortgages , where the collar is the interest rate below which repayments cannot fall, and the cap is the interest rate above which they cannot rise. (2) In coin minting, the metal ring that holds the flan during striking. (3) Police colloquialism for a person caught committing a crime.
collateral	Asset which is pledged to someone else as a condition of their lending money or providing similar benefit. A simple example is offering shares as a security for a bank loan. The bank may require the borrower to sign an undated transfer form. If the borrower defaults on the loan, the bank may complete the transfer form and recover its loan by selling the shares. If the borrower does not default, the loan is repaid as intended and the transfer form is not acted upon.
collateral agreement	Capital Allowances Act 2001 s110(3) gives this a specific meaning in relation to an overseas lease where capital allowances are restricted. That definition is "an agreement which might reasonably be construed as being collateral to the lease".

Guidance is provided in the Inspector's Manual at CA 24300.

collateral benefits	Benefits received from a third party, such as from insurance or a disaster relief fund. Under Social Security Administration Act 1992, there is a general rule that social security paid for the first five years be deducted from an award and paid to the Department of Work and Pensions.
collateral call	Demand on a bank in respect of insurance contracts.
collateral contract	Contract which runs with another contract. Breach of a collateral contract may constitute a breach of the other contract.
collateralisation	Process of making a debt secure by providing collateral .
collateralised bond obligation (CBO)	Asset-backed security where the backing is holdings of bonds.
collateralised debt obligation (CDO)	Asset-backed security where the backing is any type of debt. It is common for one pool of assets to be used as collateral for more than one CDO with a system of priority established between them.
collateralised loan obligation (CLO)	Asset-backed security where the backing takes the form of securitised loans. These are usually commercial loans from a bank.
collateralised mortgage obligation (CMO)	In USA, a bond secured by a portfolio of mortgage obligations.
colleague	Person with whom one works.
collect	Practice of recovering funds from those who owe them. This is part of the process of credit control .
collectable	<p>Item acquired for the pleasure of possession rather than for its intrinsic value. Examples of collectables include stamps, coins, dolls, chinaware, antiques, matchboxes and cigarette cards. Works of art are usually excluded from the scope.</p> <p>The value of a collectable derives from the desire of others to possess such items, and their scarcity to such collectors. Ordinary items, such as matchboxes, therefore have the highest item when they were not seen as collectable when first used. Items sold as collectable, such as commemorative coins, usually acquire no collectable value.</p>
collectability	Extent to which a debt is seen as being recoverable.
collecting agency	Body which collects funds owing to others, usually for a commission on the amount collected.

collecting bank	Bank into which a person pays a cheque. The bank has a duty to recover the funds from the payer of the cheque.
collecting branch	Branch of a bank that accepts cheques for crediting to its customers' accounts.
collection	<p>Process whereby the state collects tax owed. Methods include:</p> <ul style="list-style-type: none">• assessment by the tax authority• self-assessment by the taxpayer• deduction at source by employer, investee etc• indirectly by payment to supplier of goods• instalments on account of tax. <p>The UK uses all these methods.</p>
collection basis	In international tax, system whereby tax is charged on funds received or paid. In the UK, it is usually called the cash basis .
collection float	Number of shares or other security that are outstanding and available for trading by the public.
collection order	Written order to a bank stating the conditions under which it may release documents in connection with international trading.
collection ratio	Average number of days it takes a business to turn its debtors into cash.
collection services	Term used by Royal Mail for services which go beyond the normal collection of mail. These include weekday collections, time collections and single collections. Each of these attracts a charge.
collections	Term sometimes used for cash receivable .
collective	Group of people who work together for mutual support, eschewing outside bodies. This includes communes and kibbutzes. It is often overlooked that most ordinary families function as collectives.
collective agreement	<p>"Any agreement or arrangement made by or on behalf of one or more trade unions and one or more employers or employers' associations and relating to one or more of the matters specified below" (Trade Union and Labour Relations (Consolidation) Act 1992 s178(1)).</p> <p>The matters "specified below" are terms and conditions of employment, conditions of work, engagement or non-engagement of members, termination or suspension of members, allocation of work, discipline, membership or non-membership of the union, facilities for union officials, negotiation machinery and procedures relating to this.</p>
collective bargaining	"Negotiations relating to or connected with one of those matters" (Trade Union and Labour Relations (Consolidation) Act 1992 s178(1)). "Those matters" are the same as for collective agreement .

collective goods	Those goods and services which cannot reasonably be provided by the individual or private enterprise. Examples include military, police and courts.
collective investment	Investments such as unit trusts and investment trusts schemes.
collective investment scheme	For employment income, this term is defined in Income Tax (Earnings And Pensions) Act 2003 s420(2).
collective redundancy	Proposed dismissal of many workers on grounds of redundancy. Trade Union and Labour Relations (Consolidation) Act 1992 imposes a duty on the employer to consult with the workers or their trade union.
collective responsibility	The managerial principle that all members of a board, team or political cabinet should be bound by the decisions agreed by a majority of that body.
collectivisation	Wholesale reorganisation of farming in the Soviet Union introduced from 1923 in a series of five-year plans. The peasant farmers worked on collective farms. The result was a drastic reduction in crop production.
collectivism	System of living where groups of people voluntary live together and provide for the needs of themselves and other members.
collector	(1) Person who obtains payments from debtors. (2) Tax officer who obtains payment from taxpayers (when the word usually has a capital C). (3) Person who acquires collectables .
Collector of the Oils Accounting Centre	For hydrocarbon oil duty, "means the Collector of Customs and Excise responsible for the Oils Accounting Centre at HM Customs and Excise, Dorset House, Stamford Street, London SE1 9PY or at such other address which may be specified in directions made by the Commissioners under section 116 of the Customs and Excise Management Act 1979" (Hydrocarbon Oil Duties (Payment of Rebates) Regulations SI 1996 No 2313 reg 3(1)).
collectors' items	Items which are acquired purely for the joy of collecting them rather than for their utilitarian value. Most such items can benefit from a special VAT scheme which allows VAT to be charged at 5% on their sale. There are several exclusions, including bullion coins and items which had been exported in the previous 12 months. This arrangement also applies to works of art and antiques .
College of Justice	In Scots law, a body "created in 1532, it consisted of the Lords of Council and Session (the judges of the Court of Session) who are the Senators of the College of Justice, the Faculty of Advocates, the clerks to the Signet (later the Writers to HM Signet, a Society of solicitors) and the macers (the court officer who carried a mace before the judges). It may now be said to consist of the senators, Advocates, Writers to the Signet, Solicitors to the Supreme Courts, Macers and Supreme Courts staff" (Judiciary of Scotland website glossary).

COLLG	Collective Investment Scheme Information Guide, produced by Financial Services Authority.
colliery worker	In relation to free coal, “means a coal miner or any other person employed at or about a colliery other than in clerical, administrative or technical work” (Income Tax (Earnings And Pensions) Act 2003 s306(4)).
collision clause	Clause in a marine insurance policy that binds the underwriters to indemnify the insured for damages in tort for any collision between the ship and another vessel.
collusion	Improper agreement between two or more people, particularly when they agree that one should bring an action against the other.
Colombia	South American republic. Its currency is the Colombian peso of 100 centavos. The UK has no tax treaty.
colón	Unit of currency in Costa Rica and El Salvador.
colones	Plural of colón , currency of Costa Rica. The gold coins from 5 to 25,000 colones may be regarded as gold investment coins for VAT purposes (VAT notice 701/12A).
colonial legislature	“Mean[s] the authority, other than the Parliament of the United Kingdom or Her Majesty in Council, competent to make laws for the possession” (Interpretation Act 1978 Sch 1).
colonial pension	Term used in Finance Act 1956 s40 to mean a pension paid by the government of India, Pakistan, Burma or any British colony, protectorate, protected state or UK trust territory. Subject to conditions, the pension was free of income tax. This law was repealed by Finance Act 1975.
Colonial Superannuation Scheme	Former name of Oversea Superannuation Scheme .
colony	“means any part of Her Majesty’s dominions outside the British Islands except— (a) countries having fully responsible status within the Commonwealth; (b) territories for whose external relations a country other than the United Kingdom is responsible; (c) associated states: and where parts of such dominions are under both a central and a local legislature, all parts under the central legislature are deemed for the purposes of this definition to be one colony.” (Interpretation Act 1978 Sch 1).
colourable	In law, description of anything which has the appearance of one property but the substance of another.

colour bar	Rule that imposes restrictions on the employment or other rights of non-white people. Such rules are now illegal.
coloured	Term once used to describe the ethnicity of someone who was neither black nor white, such as an Indian or person of mixed race. This term is no longer considered acceptable.
coloured fires	Substance included in the list of explosives for which there are special Customs provisions (Explosives Act 1875 s3(1)).
Colour Index	For the purpose of dyes in hydrocarbon oil, "means Colour Index, 3 rd Edition (1971) compiled by the Society of Dyers and Colourists and the American Association of Textile Chemists and Colorists" (Hydrocarbon Oil Regulations SI 1973 No 1311 para 2).
COLTS	Continuously offered longer-term securities.
column	Description of amounts which are listed one above the other, such as a column of figures. They allow such figures to be added easily to give a total .
columnar system	Basic form of cash analysis which uses columns of figures to help analyse income and spending to produce category totals.
Colwyn Committee	Committee that reported in 1927 on the incidence of estate duty. The Committee concluded that relating the rate of duty to the value of the estate was an equitable basis for this tax, but recognised that this principle ignored the circumstances of the beneficiaries of any estate who suffered the burden of the tax in practice. The Committee suggested that the legacy and succession duties might be developed so that the death duty system as a whole might pay more attention to donees rather than donors. No action was taken on this report and estate duty remained largely unchanged until 1974.
COM	Prefix for HMRC's tax manual on company taxation.
COMB	Contracted out mixed benefit, a form of occupational pension scheme abolished in 2012.
combination	<p><i>Company law</i></p> <p>A general term for whenever two or more businesses come together to form a group.</p> <p><i>Statistics</i></p> <p>The number of ways of selecting or arranging items when order is not important and duplication is not allowed.</p> <p>The number of combinations for choosing x items from n variables is:</p> $[n! \times (n - x)!] \div x!$
Combination Acts	Laws passed in 1799 and 1800 to outlaw trade unions.

combination that is in substance a gift

For accounting standards, "a combination carried out at nil or nominal consideration that is not a fair value exchange but in substance the gift of one entity to another" (FRS 102 glossary).

combine

As a noun, a large financial or commercial group.

combined account

For PAYE, "means an amount which includes tax due under these regulations and one or more of the following —

- (a) earnings-related contributions due under the [Social Security Contribution] Regulations,
 - (b) amounts due under the income tax (Construction Industry Scheme) Regulations 2005,
 - (c) payments of repayments of student loans due under the Student Loan Regulations"
- (PAYE regulations SI 2003 No 2682 reg 2(1)).

combined amount

In relation to PAYE, "means an amount which includes tax due under these regulations and one or more of the following —

- (a) earnings-related contributions due under the SCC [Social Security Contributions] Regulations;
 - (b) amounts due under the Income Tax (Construction Industry Scheme) Regulations 2005;
 - (c) payments or repayments of student loans under the Student Loan Regulations"
- (PAYE regulations SI 2003 No 2682 reg 2(1)).

combined bingo

Bingo which is promoted at one place and, for the purpose of a particular game, combined with bingo played at another place and promoted by another person. This is so that the players at both places share in the chance of winning a prize contributed partly by one promoter and partly by the other. It is also known as Linked Bingo.

The legal provisions are given in Betting and Gaming Duties Act 1981 s20A with effect from 1 September 2007.

It is subject to **bingo duty**.

Combined Cadet Force (CCF)

Officers, adult instructors and adult warrant officers of this force are a class of **reservists** (PAYE regulations SI 2003 No 2682 reg 122(2)).

Combined Consignment Note and Customs Declaration (CNCD)

A single document which serves as both a Customs declaration and a consignment note. The CNCD is used for traffic to and from the Channel Islands.

combined financial statement

Financial statements of two or more businesses expressed as if they were one business.

For a **group** of companies, the combined financial statements are known as **consolidated statements**.

combined licence	Licence issued by Gambling Commission under Gambling Act 2005 s68 in respect of more than one category of licence in <i>ibid</i> s65(2)).
combined ratio	In insurance, claims and operating expenses as a percentage of premium income.
COMECON	<p>Council for the Mutual Economic Assistance, a form of economic unit similar to the European Union but for countries in the Warsaw Pact.</p> <p>It was formed by the Russian leader Stalin in 1949 as a means of exercising influence in Yugoslavia. The initial members were Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Romania and USSR. Albania was expelled in 1961. Cuba and Vietnam joined in 1972 and 1978 respectively.</p>
co-mediation	Form of mediation in which two mediators are present. It is rarely encountered in practice.
COMEX	Commodity Exchange Inc of New York.
comfort letter	Letter from an authority to advise recipient that a proposed action is legal, or will not be acted against, or similar.
comfort zone	Range of activities and other circumstances where a person feels comfortable.
coming-back service	Dutch term for a pension premium adjustment for future inflation in connection with a final salary scheme.
Comisiwn Elusennau Cymru a Lloegr	Welsh: Charity Commission of Wales (Charities Act 2011 s13(2)).
Comisywnwyr Cyllid a Thollau Ei Mawrhydi	Welsh title for Commissioners of Her Majesty's Revenue and Customs (Commissioners for Revenue and Customs Act 2005 s1(2)).
comitatus	Latin: county
Comit Index	Main share index of the Milan Stock Exchange.
comma	<p>For tax law, a comma does not disapply the adjective. This was held in the case <i>Ross Young Holdings Ltd [1996] VTD 13972</i>.</p> <p>Value Added Tax 1994 Sch 8 Group 1 Excepted Item 1 disapplies the zero-rating food to "ice cream, ice lollies, frozen yogurt, water ices and similar frozen products".</p> <p>The company produced a new product that was similar to ice cream but not similar to a water ice. The issue was whether the words "and similar products" applied to everything in that list or just to "water ices". It was held that it applied to everything in that list. It would have done so even if there had been a common before the word "and" (which is sometimes known as the Oxford comma).</p>

commander	<p>“In relation to any aircraft, include any person having or taking the charge or continued command of the aircraft” (Customs and Excise Management Act 1979 s1(1)).</p>
Command papers	<p>Documents produced by the government for consideration by Parliament. They were originally commanded by the monarch. Command papers usually are either white papers which set out statements of policy, or green papers which are for discussion.</p>
commemorative coin	<p>Coin that is minted to commemorate an event. During 20th century most commemorative coins were to mark royal events, such as coronations and jubilees. In the 21st century, commemorative coins have been produced in far greater variety such as for anniversaries. Royal Mint produced 69 different coins for the 2012 Olympic Games.</p> <p>Commemorative coins are either versions of currency coins, particularly 50p and £2, or are for special values, such as the silver coins for £20, £50 and £100 minted from 2011.</p> <p>Such coins are usually legal tender, though this is of academic interest as they are rarely spent. Shops and banks are not likely to accept them, and do not have to do so. Few of the coins appreciate in value, or even hold their value, to coin dealers.</p>
commencement of lease term	<p>For accounting standards, “the date from which the lessee is entitled to exercise its right to use the lease asset. It is the date of initial recognition of the lease (ie the recognition of the assets, liabilities, income and expenses resulting from the lease, as appropriate” (FRS 102 glossary).</p> <p>This is identical to the definition in International Accounting Standards for commencement of the leasing term.</p>
commencement of the leasing term	<p>“The date from which the lessee is entitled to exercise its right to use the leased asset. It is the date of initial recognition of the lease (ie the recognition of the assets, liabilities, income or expenses resulting from the lease, as appropriate)” (IAS 17 para 4).</p>
commencement period	<p>In relation to ring fence profits oil companies, “means the accounting period in which the company sets up and commences its ring fence trade” (Corporation Tax Act 2010 s309(1)).</p>
commencing adjustments	<p>In international tax, tax provisions that apply in the first year of trade. Typically these may include:</p> <ul style="list-style-type: none">• determining the period whose profits are taxable• establishing relief for double taxation (such as UK overlap relief)• claiming relief for pre-trading expenditure.
commencing capital debt	<p>In relation to written-off government investment, means “a debt to a Minister assumed as such under an enactment” (Corporation Tax Act 2010 s96(3)).</p>
commerce	<p>Trade of buying and selling goods or services with a view to profit.</p>

commercial	Term which describes activities conducted with a view to making a profit.
commercial action	In Scots law, "civil proceedings defined in rules of court heard in a Commercial Court in the Court of Session or a specified Sheriff Court" (Judiciary of Scotland website glossary).
commercial agreement	Agreement made between two businesses. In the absence of any indication to the contrary, the courts will regard such an agreement as a contract .
commercial aircraft	Aircraft intended to transport goods or passengers for payment.
commercial association of companies	<p>For the purposes of corporation tax relief on employee share schemes, "means a company together with such of its associated companies (as defined in section 449 of [Corporation Tax Act] 2010 as carry on businesses that are of such a nature that the businesses of the company and the associated companies, taken together, may be reasonably considered to make up a single composite undertaking" (Corporation Tax Act 2009 s1004(9)).</p> <p>"A company is in the same commercial association of companies as another company if the companies are:</p> <ul style="list-style-type: none">• associated companies (as defined in Income and Corporation Taxes Act 1988 s416 [which is now Corporation Tax Act 2010 s449]),• on the same basis that the shares are in a company in the same commercial association of companies as the employing company" (Inspector's Manual at BIM 44295).
commercial attaché	Diplomat employed to promote the commercial interests of a country.
commercial bank	Bank which offers its services to the public, as against a merchant bank .
commercial bill	Bill of exchange issued by a business, as against bills issued by the Treasury.
commercial borrowing	Borrowing funds on terms offered by a commercial lender.
commercial cause	In law, causes arising from normal business trading activities.
commercial collection agency	Company which collects debts on behalf of businesses.
Commercial Court	Part of the Queen's Bench Division of the High Court that hears commercial cases.
commercial credit company	In USA, finance house that lends money to businesses rather than to individuals.
commercial debt	Debt which arises in the course of business.
commercial district	Part of a town or other area where the main offices and shops are located.

commercial interdependence	For corporation tax, a relationship between two companies that makes them associated companies.
commercial law	General term for all aspects of a law which affect business activities. These particularly include commercial law, company law, employment law and tax law.
commercial lawyer	Person who specialises in law relating to business.
commercial letting of furnished holiday accommodation	Corporation tax provisions are given in Corporation Tax Act 2009 from s264. Income tax provisions are given in Income Tax (Trading and Other Income) Act 2005 from s323.
commercial lines	Insurance for businesses, professionals, and commercial establishments.
commercial loan	Funds lent for the purpose of starting or expanding a business.
commercial loan selling	Transaction where by a bank loan to a business customer is sold by the bank to another bank.
commercial mortgage	Mortgage secured on a non-residential property.
commercial paper	A method of borrowing money from commercial institutions such as banks. It is a form of IOU issued by a company to obtain short-term funding. It is usually less liquid than bonds. Commercial paper is usually issued to meet a short-term need.
commercial port	Port for goods only, and not for passengers.
commercial property	Premises used primarily for trading.
commercial purpose condition	Condition a production company must meet to get theatrical relief from corporation tax. The main condition is that the production is either educational or to paying members of the public (Corporation Tax Act 2009 s1217GA).
commercial rate of interest	Rate of interest at which a business may borrow money.
commercial report	Investigation into a business, such as may be made by a credit reference agency or investment analyst.
commercial room	Room set aside for use by commercial travellers .
commercial substance	Economic reality behind a transaction or other arrangement. This may not be the same as the ostensible reason. There is an accounting concept known as substance over form which requires the accounting treatment to follow the substance.

commercial trade	In relation to the remittance basis, this means a trade “conducted on a commercial basis and with a view to the realisation of profits” (Income Tax Act 2007 s809VE(3)).
commercial transaction	<p>In relation to disguised remuneration, a loan to an employee on ordinary commercial terms (Income Tax (Earnings And Pensions) Act 2003 s554F).</p> <p>In relation to anti-avoidance provisions for assets transferred overseas, the term is defined in Income Tax Act 2007 s738.</p>
commercial traveller	Person who travels extensively to pursue commerce .
commercial unit	In relation to a consumer’s right of partial rejection of goods, “a unit is a commercial unit if division of the unit would materially impair the value of the goods or the character of the unit” (Consumer Rights Act 2015 s21(4)).
commercial value	Worth of an item expressed as the price it would expect to fetch if offered for sale.
commercial woodlands	In terms of excluding tax relief for a loan to occupy such woods, the term means “woodlands in the United Kingdom which are managed on a commercial basis and with a view to the realisation of profits” (Income Tax Act 2007 s411(5)).
commercial year	<p>Adaptation of the calendar year for the purpose of making financial comparisons. Such methods are no longer widely used.</p> <p>A commercial year typically recasts the calendar as 12 periods of 30 days each by making pro rata adjustments for months with fewer or more days.</p>
Commerzbank Index	Share index of Germany.
Commerzbank principles	Statement of the principles used by the courts in interpreting an international treaty. The principles were set out by the High Court in the case <i>IRC v Commerzbank AG [1990] STC 285</i> .
Comissão de Valores Mobiliarios (CVM)	Brazilian securities commission.
commissary	<p>One into whose custody a charged person is committed. The term is sometimes used for other types of officer.</p> <p>In Scots law, “relating to establishing the succession rights and disposal of a deceased person’s estate” (Judiciary of Scotland website glossary).</p>
commissary court	Consistory court for Canterbury diocese (Ecclesiastical Jurisdiction and Care of Churches Measure 2018 s1(2)).
commission	Fee paid to someone for acting on their behalf. It is normally calculated as a percentage of sales proceeds. When paid to employees such as sales staff, it is taxed as employment income.

- commission agent** Person who acts on behalf of another in return for a **commission**, such as a sales person whose only pay is a percentage of the sales he secures.
- commission broker** Stockbroker who works for **commission**.
- Commission des Opérations de Bourse**
Body that supervises the French stock exchange.
- Commissione Nazionale per le Società e la Borsa (CONSOB)**
Supervisory body of the Italian stock exchange.
- commissioner for oaths** Person who is allowed to administer oaths. This includes every solicitor with a practising certificate.
- Commission for Equality and Human Rights (CEHR)**
Body formed under Equality Act 2006 s1 from October 2007 to oversee areas of equal rights and human rights. Its work was previously undertaken by Commission for Racial Equality, Equal Opportunities Commission and Disability Rights Commission.
- Commission for Healthcare Audit and Inspection (CHAI)**
Body corporate established under Health and Social Care (Community Health and Standards) Act 2003 s41.
- Commission for Social Care Inspection (CSCI)**
Body corporate established under Health and Social Care (Community Health and Standards) Act 2003 s42.
- commission house** Firms which buy or sell for clients and charge a **commission** for this service.
- commission of the peace for England and Wales**
Commission established under Courts Act 2003 s7.
- commission recapture** Service offered to allow investors to recover commission they have improperly paid or had deducted, particularly for pension plans.
- commission rep** Sales person, or representative, who sells goods or services for a business which pays him **commission** on such sales.
- commissionaire** Person employed to look after customers at a hotel or similar establishment.
Typically a commissionaire wears a distinctive uniform and is situated at the entrance of the hotel. His duties include welcoming customers, arranging for their luggage to be taken to rooms, advising on local amenities, hailing taxis and dealing with other matters raised by customers.
- Commissioner for Older People in Wales**
Office created under Commissioner for Older People (Wales) Act 2006 s1.
- Commissioner for Victims and Witnesses**
Person appointed under Domestic Violence, Crime and Victims Act 2004 s58

to promote the interests of victims and witnesses in cases of violence.

commissioner

Title of a senior officer used in various contexts.
Members of the board of HMRC are called commissioners.
Those who heard tax appeals were commissioners.
Most solicitors are commissioners of oaths.

Commissioners for Revenue and Customs

Commissioners appointed to administer **Her Majesty's Revenue and Customs** under Commissioners for Revenue and Customs Act 2005.
They are appointed by the Queen under Letters Patent under s1. Their functions are set out in s5.

Commissioners for Revenue and Customs Act (CRCA)

Act of Parliament of 2005 that formed HM Revenue and Customs (HMRC) by bringing together Inland Revenue and HM Customs and Excise.

Commissioners for the Reduction of the National Debt

Body established by Lord Palmerston in 19th century. It had not met since 1860 until revived in 2015.

commit

The process of giving a firm undertaking to do something, such as to spend money or to enter a transaction.
The term is most commonly used to describe something which is more than an intention but less than a contract. It may often be seen as a moral obligation rather than a legal one.

commitment

(1) Course of action which a person has agreed to follow.
(2) Loyalty someone feels to a business or a cause.

commitment document

Term sometimes used to describe a **letter of intent** or similar document. Such a document usually creates a **contract**.

commitment fee

Charge made by a bank for providing a **line of credit**, or a similar charge by a lender. It is also known as a commitment fee.
Under normal allowability rules, such a fee is not allowable if it is incurred as part of the cost of obtaining capital, but is allowable if the borrowings are temporary.
A leading case on this is *Ascot Gas Water Heaters Ltd v Duff* 24 TC 171.
The matter is discussed in the Inspector's Manual at BIM 45825.

commitments basis

Method of recording the expenditure of a public body.
The accounts show the sums the body has agreed to spend, whether or not payment has been made.

commitments for capital expenditure

Amount a company intends to spend on fixed assets in future years.
UK company law requires companies to disclose this figure in its annual report.

committal	Holding a person in prison temporarily, such as while a full trial is pending.
committal warrant	Court order committing someone to prison.
committed facility	Agreement between a bank and a customer to provide funds to a maximum figure at a specified interest rate, usually expressed as so many percentage points above LIBOR .
committed for trial	“Means— (a) in relation to England and Wales, committed in custody or on bail by a magistrates’ court pursuant to section 6 of the Magistrates’ Courts Act 1980, or by any judge or other authority having power to do so, with a view to trial before a judge and jury; (b) in relation to Northern Ireland, committed in custody or on bail by a magistrates’ court pursuant to Article 37 of the Magistrates’ Courts (Northern Ireland) Order 1981 or by a court, judge, resident magistrate or other authority having power to do so, with a view to trial on indictment. (Interpretation Act 1978 Sch 1).
committed funds	A portion of a budget that has already been allocated. The term is used in several different contexts. It can represent the funds of a donor or grant-making body which it has already allocated. It can represent the funds of an individual or business which have been allocated to particular spending and which are therefore not available for other spending.
committed money	Money which is allocated for particular spending.
committee	Group of people who are tasked with a function. The two main types of committee are executive committees which make decisions, and advisory committees which advise those who do.
committee of reference	Body of people to whom the management of an organisation may refer matters for advice. Typically such a committee is established by a charity or other voluntary body. Its members are people of eminence whose inclusion is intended to reassure others with whom the organisation deals about the integrity of the organisation. It is rare for anything to be referred to the committee. Also called a council of reference .
Committee of the Whole House	When all members of the House of Commons or House of Lords consider a matter instead of its being dealt with by a standing committee.
Committee on Accounting Procedure	American body. It is a committee of the AIPCA which defined accounting principles between 1939 and 1959. Some of these are still part of the accounting principles used today.
Committee on Uniform Securities Identification Procedures (CUSIP)	UK regulatory organisation that is responsible for allocating a nine-digit

identification number to all securities issued in the UK.

commodities

Basic items in large quantities which are traded in a manner similar to securities.

Commodities include **hard commodities**, particularly metal such as copper, lead and tin, and **soft commodities**, particularly foodstuffs such as wheat, oats and maize.

commoditisation

In marketing, what happens when customers become less concerned about what make, brand or product they use.

commodity

Basic raw material, for which special procedures and markets have been developed for selling in large quantities.

Commodities are classified as hard or soft. Hard commodities are mainly metals such as copper, tin, zinc etc.

Soft commodities include cocoa, coffee, cotton, grain, jute, orange juice, pork bellies and rubber. Soft commodities are sometimes called produce.

commodity-based

Description of a financial obligation relating to a **commodity**.

commodity broker

Broker who deals with **commodities**, particularly one who acts for a principal in a futures contract. The rules vary according to the commodity market.

Commodity Code

The code that identifies the description of individual goods or items in the **Customs Tariff**.

The full code is either 10 or 14 digits long, but for many purposes only the first 4 or 8 digits are used. It is also referred to as Combined Nomenclature (CN) code.

Commodity Credit Corporation (CCC)

US government owned body formed in 1933 to stabilise farm prices, and provide other financial and commercial help to farms.

commodity exchange

Place where **commodities** are bought and sold.

Commodity Exchange Inc of New York (COMEX)

Commodity exchange in New York that specialises in futures contracts for metals.

commodity future

Contract to buy or sell a **commodity** at a future date.

There is a restriction on loss relief for such activities in Corporation Tax Act 2010 s52.

Commodity Futures Trading Commission (CFTC)

US government body established in 1974 in Washington to oversee trading in commodity futures.

commodity market

Place where **commodities** may be bought and sold.

commodity or financial futures

In relation to capital gains tax, "means commodity futures or financial futures which are for the time being dealt in on a recognised futures exchange" (Taxation of Capital Gains Act 1992 s143(2)).

commodity tax

In international tax, charge based on a selected number of commodities, designed to correspond to the excise duties that would otherwise be payable.

commodity trader

Person who buys or sells **commodities**.

commodity trading adviser

In USA, an individual who gives advice on trading in futures and options.

Common Agricultural Policy (CAP)

Policy of European Union to provide a measure of protectionism for farmers in a free market. The tax implications are set out in European Communities Act 1972 s6.

Common Agricultural Policy licence (CAP licence)

Licence usually required when importing agricultural produce.

The licences are issued by the Rural Payments Agency. Checking the licence is done by HMRC's National Clearance Hub and the UK Border Agency.

common assault

Action that puts someone in fear such as by threatening violence. It is both a crime and civil offence.

common bond

Statement on who may join a **credit union**. It is sometimes called a bond of association.

Common Budget

Fund administered by the European Commission into which is paid levies and duties on imported goods, and from which payments are made under **Common Agricultural Policy**.

common carrier

Person who offers the services of carrying goods. Such a person is obliged to accept all requests of carriage within the offered terms.

common consolidated corporate tax base (CCCTB)

Proposal from the European Union for companies operating in more than one EU state. The company would submit a single tax return, and the various states would then determine the liability for each state. The UK government opposes the plan.

common cost

Cost which applies to two or more **cost centres**. The management accountant must determine an equitable basis for apportioning such cost.

common court investment fund

A fund set up under Administration of Justice Act 1982 s42(1) to provide benefits to a limited range of beneficiaries, such as child victims of road accidents.

For most purposes they are treated as an **unauthorised unit trust**,

except that, from 6 April 1999, they are taxed as an authorised unit trust.

common deed stamp	Old form of stamp duty now abolished. It was charged for such purposes as the appointment of a trustee or gamekeeper.
common design	In crime, the intention shared by all who engage in an illegal activity for which each may be punished.
common duty of care	Common law duty of occupier of land or premises to take reasonable care for the safety of visitors. There is additional statutory liability.
common employees	One of the factors that can indicate commercial interdependence, and therefore make two companies associated companies for the purposes of corporation tax.
common employment	Old law that excused an employer from injury suffered by one employee from another. It was abolished in 1948.
common entry document (CED)	Document that may be required by Customs on the importation of grain or animal feed into the UK. The document is signed by the Port Health Authority.
common equipment	One of the factors that can indicate commercial interdependence, and therefore make two companies associated companies for the purposes of corporation tax.
Common External Tariff (CET)	The tariff imposed on goods imported into any member state of the European Union. It is paid into the Common Budget .
Common Financial Statement	Standard form of debt statement agreed by banks and other bodies. Its use can speed up and simplify debt recovery.
Common Fisheries Policy (CFP)	Fishing policy of the European Union established in 1983, replacing an agreement of 1971.
commonhold	Leasehold where the leaseholders collectively own the common parts.
commonhold assessment	Amount which a commonhold association estimates is required to meet the needs of the association and for which it may serve notices requiring payment from unit holders (Commonhold and Leasehold Reform Act 2002 s38).
commonhold association	Body of unit holders of commonhold land (Commonhold and Leasehold Reform Act 2002 s34).
commonhold community statement	Document which makes provisions for a commonhold association (Commonhold and Leasehold Reform Act 2002 s31).

common fund basis	Basis under which court costs were determined, particularly under Legal Aid. It is now replaced by the standard basis of taxation.
commonhold land	<p>“Land is commonhold land if —</p> <ul style="list-style-type: none">(a) the freehold estate in the land is registered as a freehold estate in commonhold land,(b) the land is specified in the memorandum of association of a commonhold association as the land in relation to which the association is to exercise functions, and(c) a commonhold community statement makes provisions for rights and duties of the commonhold association and unit-holders (whether or not the statement has come into force).” <p>(Commonhold and Leasehold Reform Act 2002 s1)</p>
commonhold unit	A unit of accommodation on commonhold land (Commonhold and Leasehold Reform Act 2002 s11(1)).
common law	<p>Body of decisions which make up most of the law other than Acts of Parliament.</p> <p>The main principle is that judges decided what is equitable in a particular situation and that became the principle of what must be followed in all further situations where the circumstances are sufficiently similar.</p> <p>English common law was the basis of law in England and Wales, the USA and many territories formerly part of the British Empire.</p> <p>There is no such thing as common law tax, as all tax requires an Act of Parliament under laws going back to Magna Carta 1215. Common law principles are occasionally involved in tax cases.</p>
common law employment test	In the USA, a test used by IRS to determine whether a worker is an employee.
common law jurisdiction	Country whose laws include English common law. This includes England and Wales, Northern Ireland and Irish Republic, USA and most Commonwealth countries.
common law wife	<p>Real wife where the marriage cannot be proved. Note that a common law wife is not a live-in girlfriend, though it is often used colloquially for that meaning.</p> <p>A tax provision for a wife cannot be claimed for a live-in girlfriend or “common law wife” (<i>Rignell v Andrews. Ch D [1990] 63 TC 312</i>).</p>
common lodging house	Place where poor people were allowed to stay for the night (Public Health Act 1936 s235). The law was repealed in 1985 under current provisions for the homeless.
common management	One of the factors that can indicate commercial interdependence, and therefore make two companies associated companies for the purposes of corporation tax.

Common Market	<p>Original name given in 1957 to what became the European Union.</p> <p>The term refers to its original aim of being a free trade zone and Customs union, rather than a supranational federation.</p>
common measure	<p>Measure of several quantities.</p>
Common Nomenclature (CN)	<p>The European Union system for classifying and defining goods. It is based on the Harmonised System (HS) and is laid out in the Customs Tariff.</p>
common ownership	<p>Situation where a business or property is owned by many people, such as when a business is owned by its employees.</p> <p>In relation to linked dwellings and annual tax on enveloped dwellings, the term is defined in Finance Act 2013 s117(2).</p>
common parts	<p>Parts of rented or leasehold accommodation which is not owned by any individual tenant. The common parts typically include main entrance, lobby, halls, stairs and garden.</p> <p>For commonhold land, this definition is contained in Commonhold and Leasehold Reform Act 2002 s25(1).</p>
common period	<p>Period in which a company both owes tax and is owed tax. During such a period, interest is only payable or refundable on the net amount.</p>
common premises	<p>One of the factors that can indicate commercial interdependence, and therefore make two companies associated companies for the purposes of corporation tax.</p>
common pricing	<p>Practice of suppliers agreeing to sell their equivalent goods or services at the same price to eliminate competition. Such practices constitute a cartel and are illegal.</p>
commons council	<p>Body corporate set up under Commons Act 2006 s26 to oversee common land.</p>
common seal	<p>Device which a company may use to seal documents. It is no longer a requirement for a company to have one. It is also known as a company seal or corporate seal.</p> <p>The seal has the company's name engraved in legible characters. It is fitted into a device which makes an impression on the paper. Its provisions are contained in Companies Act 2006 s45.</p> <p>A company may have another seal for use in another territory, provided the name of the territory is added to the seal (ibid s49). It may have another seal for share certificates, with the word "securities" added (ibid s50).</p> <p>The requirement for a company to have a company seal was abolished by Companies Act 1985 s36.</p>
Common Serjeant	<p>Title of a judge that dates from 13th century. The order of common serjeants was abolished in 1877 though the title remains.</p>

- common size statement** American term for a financial statement that lists each item as both an amount and a percentage.
- common stock**
- Customs duties**
The storage or mixture of goods which have been imported under a relief such as **end-use relief** or **inward processing relief** with other goods that share the same **Commodity Code** to 8 digits and have the same technical and physical characteristics.
- US securities**
In the USA, the term has a similar meaning to an **ordinary share** except that it is denominated in amounts of nominal value rather than numbers of shares. In the UK, a new company may have 100 shares of £1 each, and each member owns so many shares. In the USA, a new company may have common stock of £100, of which each member owns so much.
- common stock fund** Mutual fund that invests in the **common stocks** of companies.
- common tragedy clause** Clause in a will that determines where the estate passes if all the other beneficiaries are dead, such as if they die with the deceased.
An example was when multimillionaire Richard Cousins and his entire family were killed in a plane accident on 31 December 2017. His £41 million estate passed to Oxfam under such a clause.
- Common Transit (CT)** Term used to describe **Community Transit** movements to, from or via European Free Trade Association (EFTA) and Visegrad countries.
- Common Veterinary Entry Document (CVED)**
Document that may be required to import meat, poultry, eggs, dairy products, animal bones and blood, sausage skins and fishery products. This document is in addition to other import and Customs documents.
- commonweal** Common good; welfare that benefits society as a whole.
- Commonwealth**
- General**
Term used from 15th century. The word "wealth" is used in its old meaning of well-being or "weal". The term is therefore used to mean some form of political unity.
The term is also used for Australia, Dominica, Iceland, Poland and four states of the USA: Kentucky, Massachusetts, Pennsylvania and Virginia.
- Interregnum**
England was briefly described as a Commonwealth from 1649 to 1660 after Charles I was executed. On restoration of monarchy all laws during this period were declared invalid.
- International organisation**
When the term is used on its own (usually with a capital C) it generally means what was known as the British Commonwealth. In 2008, this was a voluntary loose federation of 53 states, all but one of which (Mozambique) had been

part of the British Empire.

The Queen is the head of the Commonwealth, in addition to being the head of state for 15 of its member countries. It has been agreed that she will be succeeded by Prince Charles when he becomes king. The total population is about two billion, one third of the world's population.

Commonwealth government pension

Pension paid by the government of a Commonwealth country.

Such a pension may be free of income tax under Income Tax (Earnings And Pensions) Act 2003 s649.

Commonwealth Immigration Act

Law passed in 1962 which ended the automatic right of Commonwealth or Empire citizens to live in the UK, and restricted entry to a quota.

Commonwealth Preference

System whereby goods from Commonwealth countries could be imported free of any protective tariff of customs duty. The scheme ended in 1973 when the UK joined what is now the European Union.

common year

A year that is not a leap year but has 365 days.

This applies to all years that divide by 4, unless they divide by 100 (when they are common years) unless they divide by 400 (when they are leap years). (Calendar (New Style) Act 1750 s2).

commorientes

Legal doctrine that where two people die in circumstances where it is unclear who died first, the law assumes that the elder died first (Law of Property Act 1925 s184). This presumption is rebutted on evidence that one person lived longer, even for a second, such as when a person appears to have walked further from a fatal accident.

An extreme example is the first Baron Stamp. He and his son were killed in an air raid on 16 April 1941. The son, being younger, was assumed to have succeeded him as the second Baron Stamp for a notional split second.

From 1 January 1996, the law of intestacy is generally amended so that a person must survive by 28 days (Law Reform (Succession) Act 1995).

The law of commorientes is generally *not* followed for the purpose of inheritance tax under Inheritance Tax Act 1984 s54, for capital transfer tax under Finance Act 1975 s22(9) or estate duty (Finance Act 1958 s29).

The consequence is that there is no second charge on the theoretical inheritance and death of the beneficiary. Even if there were, it would qualify for 100% **quick succession relief**.

In the USA, commorientes is abolished in some states by the **Uniform Simultaneous Death Act**. Some American wills achieve a similar effect by including **Titanic clauses** (named after the ship).

Commrs

Abbreviation: Commissioners.

commune bono

Latin: for the common good.

communibus annis

Latin: on the annual average.

communication	Means by which information is exchanged between people. Many workplace problems are caused or exacerbated by a lack of communication.
communication network	Patterns or channels by which information is communicated between people.
communi consensu	Latin: by common consent.
communion	<p>Christian sacrament.</p> <p>For VAT, wafers, and unfermented communion wine or grape juice are (by concession) zero-rated as food even though they are not primarily consumed as nutrition. Ordinary bread is zero-rated as food. Alcoholic communion wine is standard-rated and subject to alcoholic liquor duty.</p> <p>These provisions also apply to unfermented grape juice used at the Jewish seder or kaddish, provided it is prominently marked in English "for sacramental use only".</p> <p>Further details are set out in VAT notice 701/14.</p>
communis error facit jus	Latin: common mistake sometimes makes law.
Communities, the	"Means the European Economic Community, the European Coal and Steel Community and the European Atomic Energy Community" (European Communities Act 1972 s1(2)).
community	<p>In general parlance this simply means a group of people as defined by a common characteristic.</p> <p>In politics, it has a specific meaning of a local government area in Wales, as set out in Local Government (Wales) Act 1994.</p>
community amateur sports club (CASC)	<p>A sports club which:</p> <ul style="list-style-type: none">(a) is open to the whole community;(b) is organised on an amateur basis; and(c) provides facilities for more than one sport. <p>A CASC is able to claim tax relief under Finance Act 2002 s58 and Sch 18. This relief is discussed in the Inspectors' Manual at BIM 24325.</p>
community association	<p>Organisation that provides recreational, welfare and similar facilities to a local area.</p> <p>The taxation of their profits is discussed in the Inspectors' Manual at BIM24320. Those with charitable objectives are discussed in the Inspectors' Manual at BIM24790.</p>
community care grant	Lump sum discretionary payment from the Social Fund.
community centre	Facilities provided may qualify as a charity under Charities Act 2011 s3(4)(a).
community charge	<p>A local authority tax introduced in Scotland in 1989 and in England and Wales in 1990. It was never introduced in Northern Ireland. It replaced the rates. It was introduced under Local Government Finance Act 1988.</p> <p>The community charge imposed a fixed amount per person, with</p>

rebates of up to 80% for the poorest.

It became known as the **poll tax**, and proved unpopular, leading to widespread rioting and civil defiance.

In 1993, each person's community charge bill was reduced by £140, paid by increasing VAT from 15% to 17.5%. Community charge was replaced by council tax in 1993.

community chest

In USA, a fund of voluntary contributions for social and other beneficial activities in an area.

community council

Body elected to look after local interests.

Community Development Finance Association (CDFA)

Body which represents **community development finance institutions**.

community development finance institution (CDFI)

An independent organisation which invests in disadvantaged areas and under-served markets in activities which usually cannot attract financing from the usual sources.

Such bodies attract **community investment tax relief** of up to 25% of the sum invested.

Typically these funds are provided as working capital, bridging loans, grants for property or equipment purchase, start-up capital, business purchase, marketing campaigns, personal loans, home improvements and back-to-work loans.

community foundation

United Kingdom

"A vehicle for charitable giving. Community foundations work with individuals, families and companies to design bespoke grant making strategies that target particular issues or focus on particular geographical areas. There are 48 accredited community foundations in the UK." (UK Community Foundation website)

USA

In the USA, a type of **foundation** formed by broad-based community support from multiple sources: trusts, endowments, individual contributions, private foundations, or corporate grants.

A community foundation generally makes grants only within a specified geographic area and is governed by a board representing the community it serves. Some community foundations offer donor-advised funds to contributors.

Community goods

Items which have been imported into the UK and where Customs has granted a **release for free circulation**. From 1 January 1993, goods in free circulation in any EU member state are regarded as being in free circulation in all EU states.

community home

Institution for maintaining children and young people in care under Children Act 1989.

Community Infrastructure Levy (CIL)

Levy that a local authority may charge on developments in its area to fund infrastructure.

The charge was introduced from 6 April 2010 and amended in 2011 and 2013. The law is Planning Act 2008 s221. Advice is provided by the **Planning Advisory Service**.

community interest company (CIC)

Form of company created by Companies (Audit, Investigations and Community Enterprise) Act 2004 s26.

It is a **company limited by guarantee**, with limited rights to make distributions to its members. Its object must to carry on benefits for the community.

community interest test

Test for a **community interest company** which is satisfied "if a reasonable person might consider that its activities are being carried on for the benefit of the community" (Audit, Investigations and Community Enterprise) Act 2004 s35(2)).

community investment tax relief (CITR)

Relief from income tax given under Income Tax Act 2007 ss333-382 and from corporation tax under Corporation Tax Act 2010 ss218-269.

This comprises investment in **enterprises for disadvantaged communities** which must be approved by the government.

The tax relief can be worth 25% of the sum invested, as 5% for each of five years.

From 1 April 2013, the maximum amount of relief a company may receive in any three-year period is capped at €200,000.

There is a similar relief from capital gains tax under Taxation of Capital Gains Act 1992 ss151BA-BC.

HMRC has produced helpsheet HS237 on CITR.

Community law

The law of the European Union.

Community legislation

Laws made by the **Council of Ministers** of the European Union. Its relationship with UK law is largely governed by Single European Act 1986.

Community legislation comprises either:

- regulations, of general application
- directives, addressed to one or a few EU states

There are also decisions, recommendations and opinions.

community of assets

Shared ownership of matrimonial property, such as the home and furniture.

Such shared ownership is an automatic consequence of marriage.

community payback order

In Scots law, "An order, as an alternative to a custodial sentence, requiring an offender convicted of an offence punishable by imprisonment to perform unpaid work for the community, to be supervised, to pay compensation, or to undertake various kinds of treatment. It replaces community service orders, probation and supervised attendance orders" (Judiciary of Scotland website

glossary).

Community Plant Variety Rights

Plant variety rights administered on an EU-wide basis.

community property

Mutual property ownership allowed in several US states. It regards property acquired during a marriage as belonging equally to both partners. Only property acquired before marriage, or by bequest or donation during marriage, is outside the scope.

community rehabilitation company (CRC)

Private company that undertakes work for government in rehabilitating offenders. The scheme was established in 2015 to run to 2022, but in 2018, it was announced it would finish in 2020 and be replaced.

community reinvestment

American social obligation that requires banks and some other financial institutions to meet the credit needs of people who would otherwise not be customers. The requirement arises from Community Reinvestment Act 1977.

Community relief

“Means any relief which is conferred by a Community instrument and is of a kind, or of a kind similar to that, which could otherwise be conferred by an order made under this section” (Customs and Excise (General Reliefs) Act 1979 s13(4)).

Community Security Trust (CST)

“CST is Community Security Trust, a charity that protects British Jews from antisemitism and related threats. CST received charitable status in 1994 and is recognised by the Police and Government as a unique model of best practice. “ (CST website)

community service order

An order requiring a person aged at least 16 to perform unpaid work for between 40 and 240 hours under the supervision of a probation officer.
It is a punishment under criminal law.

community society

For pool betting duty, “a society established and conducted for charitable purposes, or mainly for the support of athletic sports or games and not for private gain” (Customs notice 147).

Community status document (CSD)

Document used throughout the EU to prove that the goods originated within the EU. It has no transit function.

Many types of document may be used as a CSD, including a commercial invoice or shipping manifest.

Community Systems Provider (CSP)

Customs approved inventory system in which the necessary data are captured for Customs.

community tradeable emissions allowances

“Transferable allowances which:

(a) relate to the making of emissions of **greenhouse gases**; and
(b) are allocated as part of a system made for the purpose of implementing any [European] Community obligation of the United Kingdom relating to such emissions" (Finance Act 2007 s16(6)).

Community trade mark	<p>A trade mark that is registered for the whole of the European Union. The office is in Alicante, Spain.</p> <p>Such trade marks are regulated by EU Regulation 40/94 passed on 20 December 1983. It is given effect in the UK by Trade Marks Act 1994.</p>
Community transit (CT)	<p>Documentary system of controlling the movement of certain goods across the territory of the European Union (EU) and that of other signatories to the Transit Convention.</p>
Community transit goods	<p>For Customs purposes, goods that pass through the UK.</p> <p>The long statutory definition is given in Customs and Excise Management Act 1979 s1(1).</p>
community work	<p>Work undertaken for the benefit of a local community.</p>
commutation	<p>The giving up of part or the entire pension that would be paid at retirement in exchange for a lump sum. Applied to any exchange of a series of payments to which someone is entitled for a lump sum. In the case of approved pension arrangements the amount that is commutable is strictly limited.</p>
commutation limit	<p>In relation to pensions, the maximum amount of trivial pension that may be taken as a lump sum. Details are set out in Finance Act 2004 Sch 29.</p> <p>The limit was increased from £18,000 to £30,000 from 27 March 2014 by Finance Act 2014 s42. The provisions became redundant from 6 April 2015 when pension holders were allowed to access all their funds.</p>
commutation payment	<p>Lump sum payment that replaces a periodical payment, such as when a single payment is made instead of a salary or pension for a period.</p> <p>If paid in lieu of salary, wages or other employment income, it is taxed as employment income under Income Tax (Earnings And Pensions) Act 2003 s62. If it is not so taxed, it may still be taxable under s401.</p>
commutation factor	<p>Factor used to determine the amount of pension to be given up in</p>
commute	<p>Travel regularly to work, particularly between a suburb and a city. Such travel is not normally allowed as an income tax deduction for employees as it is not incurred in the performance of the duties of the employment. The matter is discussed in the Inspectors' Manual at BIM37935.</p>
Comoran franc	<p>Currency of The Comoros.</p>
Comoros, The	<p>Island state off African coast in Indian Ocean. Its currency is the Comoran franc of 100 centimes. The UK has no tax treaty.</p>

COMP (1) Contracted out **money purchase**, form of occupational pension scheme.
(2) Compensation Sourcebook, produced by Financial Services Authority.

compact disc (CD)

Definition

In computing, a means of storing data in digital form.

A CD is a thin polycarbonate disc, usually silvery coloured and 120mm in diameter. They first became available in 1982. The specification was largely agreed by the companies Philips and Sony. At first CDs were used almost exclusively for music. The first CD issued was *The Visitors* by Abba in 1981.

The CD became used for computer data from 1985.

A CD is 1.2 mm thick and weighs about 16 grams. A thin layer of (usually) aluminium is added to the surface to make it reflective. This is protected with a layer of lacquer.

Data are stored as a series of tiny indentations known as **pits** in a spiral track moulded into the polycarbonate layer. The areas between the pits are known as **lands**. These are read by a semiconductor laser allowing the data in **binary notation** to be displayed in the form of text, software, pictures, music or other data.

Value added tax

Compact discs are standard-rated both as blank discs, and when they contain data or music.

A company was unsuccessful in claiming zero-rating for mathematical worksheets provided on a CD on the basis that the customer would print them out (*Fisher Educational Ltd [2002] VTD 17902*).

compact disc with magazine This is usually regarded as a single supply depending on which is the dominant element. In the case *International Masters Publishing Ltd v HMRC (No 2) [2007]*, the Court of Appeal held that a magazine and CD of classical music was a single supply of a standard-rated CD. The accompanying booklets were ancillary.

compact farm Farm all of whose land is together. This became the norm with **enclosures** in the late 18th century.

Compagnie Française pour l'Assurance du Commerce Extérieur (COFACE)

French equivalent to Export Credit Guarantees Department.

Compagnie Nationale des Commissaires aux Comptes (CNCC)

Body which regulates auditors in France.

companhia

Portuguese: company

Companies Act group accounts

Group accounts prepared under Companies Act 2006 rather than under International Accounting Standards (Companies Act 2006 s404).

Companies Act individual accounts

Accounts of individual companies prepared in accordance with Companies Act 2006 requirements rather than International Accounting Standards

(Companies Act 2006 s395(1)).

Companies Act

Name given to many Acts of Parliament from 1844 for the regulation of companies.

There was a major consolidation in 1948, amended by Acts of 1967 and 1976.

The next major consolidation was Companies Act 1985 as modified by the Companies Act 1989.

The current law is Companies Act 2006.

Companies Acts

Companies Act and other legislation is in force at a particular time. The **statutory audit** requires that the accounts comply with the Companies Act or Acts (which are usually identified in the **audit report**).

Currently Companies Act 2006 s2(1) defines this term as meaning:

- Companies Act 2006;
- Companies (Audit, Investigations and Community Enterprise) Act 2004 Part 2;
- unrepealed provisions of Companies Act 1985; and
- unrepealed provisions of Companies Consolidation (Consequential Provisions) Act 1985.

Companies Court

Part of the Chancery Division of the High Court that deals with issues of company law.

companies having a share capital

Includes a company that has power to issue shares (Companies Act 2006 s545)

Companies House

Place where companies must file an annual report, submit their annual accounts and notify certain other changes, such as changes of director.

Apart from an annual fee, most forms are filed at no cost to the company. Most forms are now filed electronically. Information on companies is available to the public, usually on payment of a fee.

Companies House is based in Cardiff.

Companies Registration Office (CRO)

Part of **Companies House** where new companies are registered.

Companies Registry

The office of the Registrar of Companies at Companies House.

companion

Person who keeps someone else company.

In employment law, it means someone who is allowed to accompany a colleague to provide moral support and limited assistance to a grievance or discipline hearing.

company

Organisation which has a separate **legal personality** from those who own it, known as **members**.

It is defined in Companies Act 2006 s1(1) as a body either former either under that Act or under the legislation it replaces.

"A company is a separate albeit artificial legal person" (BIM38210).

Company Accounts and Tax Online (CATO)

Facility offered to small companies that allows them to file company accounts and corporation tax returns at the same time. This facility is offered from the HMRC website. It is available in a trial stage from 2015.

Company Announcements Office (CAO)

Department in a stock exchange that must be notified of any new development in a company listed on that exchange.

company apartment

American term for **company flat**.

company auditor

Person who audits a company's accounts as required by Companies Act 2006.

company car

Car owned by a company and to which exclusive use is allowed to a particular employee, and sometimes to his family also. This usually includes the employee's personal motoring in addition to business mileage.

There are special tax provisions for company cars:

- the company cannot claim back any VAT on the car as input tax;
- the employee must pay income tax on the benefit of being provided with a car;
- if the employer also pays for the petrol, diesel or other fuel, that also incurs a tax charge; and
- the employer (but not the employee) must pay class 1A national insurance on the benefit.

The employee's charges to tax are avoided if the company rules that the car may only be used for business purposes and has procedures to enforce this.

company charge

Charge created by a company over its assets, usually as security for borrowing money.

Details of all such charges must be reported to Companies House under Companies Act 2006 from s860.

company communications provisions

Companies Act 2006 ss1144 to 1148, which deal with communications to and from a company.

company contract

Contract between a company and either a person or a business. Such a contract is made either by a person acting on behalf of the company, or by the company in writing under its common seal (Companies Act 2006 s43(1)).

company director

Person appointed by the shareholders to manage a company.

company doctor

- (1) Person who specialises in analysing the problems of an ailing company and proposing solutions. Such a person may be an employee or a consultant.
- (2) Medical practitioner whose services are retained by a company to check on employees suspected of malingering or whose health is such that their

employment may not be able to continue.

- company flat** Apartment owned by a company for occasional use by its directors and senior managers. This will usually comprise a taxable benefit in kind.
- company formation** Process of establishing a company. This is done either directly (and usually on-line) at Companies House or by using a company formation agency.
- company image** All factors which present an impression of a trading organisation.
This is seen as a marketing function as it is designed to promote the overall impression of a business. It covers almost every aspect of the business such as whether the grass is cut, how staff speak to customers, and the quality of the notepaper.
In improving or maintaining company image, **cost-justification** should not be forgotten. It is difficult to cost-justify spending on works of art for a boardroom which no customer visits when the company has a call centre providing a poor service to customers.
- company in difficulty** EU law generally prohibits the government of a member state from providing help to bail out such a company.
This is reflected in various tax provisions, such as tax credits for research and development, and national insurance contribution holidays.
- company law** Branch of law which deals with the administration and oversight of companies. The main law is Companies Act 2006.
- company limited by guarantee** Limited company, usually without shareholders, but whose members agree to contribute a nominal sum should the company become insolvent. Such companies are usually non-trading companies, such as charities or professional bodies.
- company limited by shares** Usual form for a limited company, where the liability of its members is limited to the amount of authorised share capital they have committed or (rarely) are obliged to commit on uncalled capital.
- company meeting** General meeting of the shareholders or other members of a company.
- company member** Person who holds a share or shares in a company that has issued share capital, or who is required to contribute to a company limited by guarantee.
- company migration** When a company changes its country of residence.
Before 15 March 1988, this was a criminal offence unless the company obtained permission from an Advisory Committee established for the purpose.
From 15 March 1988, companies may migrate more freely, provided it gives notice to HMRC and makes arrangements to pay all outstanding tax. Guidance was provided in statement of practice SP 2/90.
From 3 September 1990, a company does not need Treasury permission to move capital to another EU country. This is extended to EEA countries from

1 January 1994.

There are separate provisions for **controlled foreign companies**.

company model	Organisational plan of a company, often expressed in mathematical or logical terms, which shows how it works. Such a model can often reveal inefficiencies.
company name	<p>Name by which a company is known.</p> <p>This must be stated when application is made. The name must not be the same or too similar to one already in use. A name may also not imply any association with the Crown or government unless such association exists. A name may not be too similar to one that belonged to another company owned by the same shareholders and which became insolvent. Legal provisions are given in Companies Act 2006 s1200.</p>
company names adjudicator	Person appointed under Companies Act 2006 s70 to hear appeals that a company's name is too similar to an existing name.
company partner	<p>Limited company that is a member of a partnership.</p> <p>The term is specifically defined (in relation to certain embedded derivatives) in Corporation Tax Act 2009 s619(1)(b).</p>
company pension scheme	Pension scheme for employees arranged by the employer although administered by independent trustees. Such a scheme is either a defined benefit scheme or, more likely now, a defined contribution scheme .
company promoter	Person who organises the setting up of a new company.
company-purchased	In relation to inheritance tax on property leaving an employee trust or newspaper trust, the term is defined in Inheritance Tax Act 1984 s72(1A).
company records	<p>"Means —</p> <p>(a) any register, index, accounting records, agreement, memorandum, minutes or other document required by the Companies Acts to be kept by a company, and</p> <p>(b) any register kept by a company of its debenture holders"</p> <p>(Companies Act 2006 s1134).</p>
company registrar	Person who keeps the share register of the company.
company representative	In investment, a financial adviser who can only advise on his or her own company's products.
company residence	<p>This is determined as set out in Corporation Tax Act 2009 from s13.</p> <p>From 15 March 1988, a company registered in the UK is automatically resident in the UK. Before 15 March 1988, a company registered in the UK could be regarded as non-resident if its central control and management was outside the UK. TBefore 15 March 1988, a company registered in the UK could be regarded as non-resident if its central control and management was outside the UK. There was a five-year transitional period for companies</p>

already registered.

A company established abroad may be regarded as UK resident if its central control and management is in the UK. The leading case on that point is *De Beers Consolidated Mines Ltd v Howe* [1906] HL 5 TC 198 which concerned a South African diamond mining company. Inland Revenue set out its understanding of the matter in statement of practice SP 1/90.

company seal

Another name for **common seal**.

company secretary

Person who is responsible for a company's legal and financial functions.

It is no longer a requirement for a private company to have a company secretary (Companies Act 2006 s270(1)). Its secretarial functions may be undertaken by a director or person appointed by the directors.

A public company must have a company secretary (ibid s271). Such a person must generally be a qualified accountant or lawyer, or have held the position of company secretary in a public company for at least three of the previous five years, or satisfy the directors that he otherwise has sufficient experience for the post (ibid s273)

All companies are required to keep a register of secretaries (ibid s275).

company share option plan (CSOP)

"Tax-advantaged discretionary share option scheme of which the employee will become the owner at a future date if specified conditions are met" (Inspectors' Manual at BIM 44001).

The law is Income Tax (Earnings And Pensions) Act 2003 from s521 and Sch 4, previously Income and Corporation Taxes Act 1988 Sch 9.

[It should be noted that the official name in much of the legislation is the abbreviation CSOP.]

CSOPs were introduced on 17 July 1995 as a replacement for executive share options.

The main conditions are:

- up to £30,000 worth of options may be granted to each employee
- option must be exercised at a price "not manifestly less" than the market value when the option was granted
- each option must be granted between three and ten years after it was granted.

company's payment practices and policies

"The company's payment practices and policies" has such meaning as may be prescribed and the information which may be prescribed may, in particular, include information—

- (a) about the standard payment terms of the company and whether these are part of any code of conduct or code of ethics of the company,
- (b) about payment terms of the company which are not standard,
- (c) about the processing and payment of invoices,
- (d) by reference to such codes of conduct or standards as may be prescribed and as are applicable to companies generally or to companies of a prescribed description,
- (e) about disputes relating to the payment of invoices, including any

dispute resolution mechanism that the company uses,

(f) about payments owed or paid by the company due to late payment of invoices, whether in respect of interest or otherwise” (Small Business, Enterprise and Employment Act 2015 s(4)).

company's purpose

The reason for a company's existence. The Inspectors' Manual states “you should establish a company's purpose by reference to the purpose of those who are entitled to act for it” (BIM38210).

The matter can be important in determining whether company expenditure is tax-deductible.

company's registered number

Unique number allocated to each company when registered at Companies House (Companies Act 2006 s1066).

company's statement of affairs

Document that a receiver of an insolvent company is required to produced under Insolvency Act 1986 s66.

company tax return

Form CT600 or equivalent which a company must complete each year to indicate how much corporation tax is payable.

company vehicle

Vehicle made available to an employee who may be subject to a taxable benefit as a consequence. The definition is given in Income Tax (Earnings And Pensions) Act 2003 s236(2).

company voluntary arrangement

Arrangement whereby a company is protected from debts while a scheme is worked out with creditors.

company website

Statutory requirements in Companies Act 2006 ss527-531.

company wholly owned by a charity

Tax implications are explained in Corporation Tax Act 2010 s200.

company with investment business

“Any company whose business consists wholly or mainly in the making of investments” (Income and Corporation Taxes Act 1988 s130).

“Means a company whose business consists wholly or partly of making investment” (Corporation Tax Act 2009 s1218B),

company's constitution

Term used in Companies Act 2006 s17 to mean the company's **articles of association** and resolutions and agreements to which Chapter 3 of the Act applies.

company's final accounting period

Accounting period in which a company is wound up. The term is used in Income and Corporation Taxes Act 1988 s342 to determine the company's tax liability.

company unit	For apprenticeship levy, two or more companies who are not charities. It relates to the levy allowance. (Finance Act 2016 s101).
comparability	<p>Qualitative characteristic expected in financial statements, comparable within company and between companies. The extent to which two figures, companies or other items may be sensibly compared.</p> <p>This is one of the four qualities of accounting information required by Statement of Principles. Comparability has two elements: consistency and disclosure.</p> <p>In FRS 102, the matter is addressed in para 2.11.</p>
comparable adjustable transaction (CAT)	American tax term used to determine transfer pricing .
comparable profit interval (CPI)	American term used in connection with transfer pricing .
comparable uncontrolled price method	OECD term for the method used to determine the arm's length value in transfer pricing .
compa ratio	American term for the ratio of an actual pay rate to the midpoint for the respective pay grade. It used for comparison purposes.
comparative balance sheet	One of two balance sheets prepared on different dates using the same bases and formats, and which allow easy comparison of how the business's financial position has changed.
comparative figure	<p>Figure in annual report giving the equivalent amount for the previous accounting period.</p> <p>This is now part of the duty to provide comparative information under FRS 102 section 3.14.</p>
comparative information	Requirement that an entity must show the equivalent amounts and details for the previous period in its accounts (FRS 102 section 3.14). This provision applies to narrative information in addition to numerical information.
comparative rating	In setting pay rates, a method that determines ratings by comparing the individuals.
comparative need	In welfare, a term that describes a need expressed as a defined group falling behind a comparable group.
compassionate leave	<p>Absence from work granted by an employer in accordance with either a contractual right or at the employer's discretion.</p> <p>Employees have certain <i>statutory</i> rights to take time off work. These rights are maternity leave, paternity leave, parental leave and time off for dependants. Compassionate leave is additional to any of these statutory rights.</p> <p>Most employers have a policy of allowing compassionate leave within reason, particularly if the employee is willing to make up the hours and the</p>

nature of the work allows this.

compassionate visit dispensation

Term used in relation to **exceptional circumstances** that can prevent a person from leaving the UK and thus risking their status as **not ordinarily resident**. Examples include being detained because of the unexpected sickness of a very close relation.

It should be noted that such circumstances can allow an extension of the 91-day rule for ordinary residence, but not for the 183-day rule for residence.

compearance

In Scots law, "the appearance of a defender or respondent in civil proceedings" ((Judiciary of Scotland website glossary).

compellable witness

Person who may be required to give evidence in legal proceedings.

In practice, all witnesses are compellable with the exception of the spouse of someone accused of a criminal offence.

Some witnesses are not regarded as competent witnesses and therefore cannot be compelled on those grounds.

compensating balance

Amount of money a customer is required to keep in a bank account to qualify for "free" banking.

compensating errors

Two or more errors which have the effect of cancelling each other out. They are still errors which need correction.

compensating goods

Goods which are exported having been imported for **inward processing** for Customs duty purposes. When the compensating goods are exported, the duty on the original import is refunded.

If the compensating goods cannot be exported, duty may be reclaimed for **equivalent goods**.

compensating products

Alternative name for **compensating goods**.

compensating tax

In international tax, a scheme whereby the customs duty on imported goods is offset by equivalent tax on exports.

compensation

Payment to someone to make up for a loss they would otherwise suffer.

Someone cannot claim compensation unless the other person is liable in some way, such as:

- under an insurance policy;
- under a contract; or
- under the law of **negligence**.

For a business, the taxation of compensation depends on the nature of the matter being compensated. This is discussed in the Inspectors' Manual at BIM 42951.

For an employee, compensation is generally not regarded as taxable income but may be adjusted to reflect taxation under the **Gourley** principle.

In relation to accounting for **related party disclosure**, a definition of this term is given in IAS 24 para 9.

In relation to corporation tax and banks, a specific definition is given in

Corporation Tax Act 2009 s133K.

In relation to grave spaces in a cemetery, the term is given a specific meaning in Income Tax (Trading and Other Income) Act 2005 s171(4).

compensation benefit In relation to public pensions means “so much of any pension, allowance or gratuity as is provided under the civil service compensation scheme by way of compensation to or in respect of a person by reason only of the person’s having suffered loss of office or employment” (Superannuation Act 1972 s2(3B)).

compensation cap In relation to riot compensation, the absolute maximum that may be paid for one claim (Riot Compensation Act 2016 s8(1)). The figure is £1 million.

compensation culture Change in attitude discernable during the 1990s where every accident gives rise to a claim from someone else rather than being seen as an accident for which the victim should accept responsibility.

There was no significant law change. The change is one of perception, exacerbated by heavily advertised companies offering to pursue the claim.

compensation deal Where a sale includes an element of barter.

This most commonly occurs in international trade where A may pay for goods from B by providing B with goods. This can be a useful way of avoiding exchange control restrictions.

compensation for loss of office Payment made to a person for losing their job, in addition to any **statutory redundancy pay**. Such payments are usually made only to directors and senior managers.

As a **termination payment**, it may benefit from special tax provisions.

compensation for misold pensions

Payments made for giving bad advice between 29 April 1988 and 30 June 1994 with regard to pensions. Many people were induced into leaving beneficial occupational pension schemes to take out private pensions that were not so beneficial. In many cases, the motive was for the salesman to earn commission. Guilty companies were ordered to pay compensation.

The compensation itself is tax-free but any interest added is taxable.

compensation fund Fund, often operated by a regulatory or statutory body, to compensate customers if a company fails.

Such funds exist for banks, pension funds, stockbrokers and others. They are usually funded by a levy on the companies.

compensation order The term is given a specific meaning in Company Directors Disqualification Act 1986 s15.

In Scots law, “an order requiring an offender convicted of an offence to pay compensation to a person for personal injury, loss, or damage caused directly or indirectly, or alarm or distress caused directly against whom or against whose property the acts constituting the offence were directed” ((Judiciary of Scotland website glossary).

compensation package	Salary, pensions and other benefits offered to an employee.
compensation payment	<p>For the purposes of authorised employer payments, “a payment is a compensation payment if it is made in respect of a criminal, fraudulent or negligent act or omission by the member” (Finance Act 2004 s178).</p> <p>In relation to corporation tax for banks, the term is given a specific meaning in Corporation Tax Act 2009 s133A as inserted by Finance (No 2) Act 2015 s18.</p>
compensation rate	Addition to the amount of a statutory payment which an employer may recover from the state.
compensation stock	<p>When gilts are offered by the government for shares in a company that it has compulsorily required.</p> <p>The capital gains tax treatment is set out in Taxation of Capital Gains Act 1992 s134.</p>
compensation undertaking	Promise of compensation given by a disqualified director under the provisions of Company Directors Disqualification Act 1986 s15A.
Compensatory Interest	Interest charged by HMRC when Inward Processing Relief suspension goods are diverted to Free Circulation .
compete	Try against someone else for the same thing.
competence	<p>State of being adequate for the task.</p> <p>In law, the term has the specific meaning of the legal capacity of a person to be a witness.</p>
competence-based pay	American term for a pay system related to the individual's performance or other measure of competence.
competencies	In human resources, the knowledge, skills, abilities and experience an individual needs to undertake a particular job or function.
competent authority	In international tax, the diplomatic forum for resolving international tax disputes.
competition	<p>General term</p> <p>(1) General term for all other companies providing the same products or services and therefore competing against business.</p> <p>This competition is regarded as healthy as it helps ensure that customers get the best prices and service. There are laws against monopolies and cartels which restrict such competition.</p> <p>(2) Event where more people try to obtain something that only one can have, such as when three companies compete for one order.</p> <p>Television production relief</p> <p>Such a television programme is generally specifically excluded from television production relief (Corporation Tax Act 2009 s1216AD(1)).</p>

This is defined as “any programme consisting of or including —
(a) a competition or contest, or
(b) the results of any competition or contest”
(Corporation Tax Act 2009 s1216AD(5)).

There is an exception under which the relief may be claimable for a children's programme where the prize total does not exceed £1,000.
(Corporation Tax Act 2009 s1216ADA.

competition and credit control

Term used in 1971 by Bank of England when introducing a new system of regulating banks and controlling credit.

Competition and Markets Authority (CMA)

Government department that works “to promote competition for the benefit of consumers, both within and outside the UK. Our aim is to make markets work well for consumers, businesses and the economy”(CMA website).

CMA is a non-ministerial department, which means that government ministers cannot control its daily operations.

CMA started on 1 April 2014 when it took over many functions of the Competition Commission and the Office of Fair Trading.

Competition Appeal Tribunal (CAT)

Body established to hear appeals relating to competition law.

Competition Commission

Body formed in 1999 from the merger of **Monopolies Commission** and **Restrictive Practices Commission**, formed in 1948 and 1973 respectively. It investigated proposed takeovers and allegations of anti-competitive practices. From 1 April 2014, its functions are taken over by the **Competition and Markets Authority**.

competition law

Branch of the law that deals with the ability of commercial businesses to compete freely.

competition pricing:

Setting a price on the basis of what competitors are charging, rather than on the costs of supply.

competition wallah

Indian civil servant who obtained his appointment under the competition system introduced in 1856.

competitive advantage

Where a business provides a service or benefit which is not provided by competitors.

competitive bidding

For auctions, “includes any mode of sale whether by way of increasing bids or by the offer of articles to be bid for at successively decreasing prices or otherwise” (Mock Auctions Act 1961 s3(1)).

competitive compassion

Trying to outdo others in expressing compassion.

competitive devaluation

Where a country devalues its currency to make its exports more competitive. This is now not regarded as a good policy. The policy has, among other

consequences, the effect of making imports more expensive.

competitive equality banking	American law that restricts commercial banks from engaging in certain non-banking activities under Competitive Equality Banking Act 1987.
competitive pricing	Determining pricing according to a policy of what will provide a benefit against prices charged by competitors.
competitive products	Products developed to compete with existing products from other suppliers.
competitive teardown	Stripping down a competitor's product to examine its components, materials and manufacture. It is similar to reverse engineering .
competitive tendering	Requirement for local authorities and some other public bodies to put contracts out for businesses to quote for work. The rules are largely set out in Local Government Acts of 1988 and 1992. A local authority is not required to accept the lowest tender, but must be able to justify accepting a higher tender.
competitive	(1) Description of a market where two or more businesses are competing to supply. (2) Description of a price which represents good value for money compared with equivalent products from other suppliers.
competitor	Business which provides the same goods or services in such a way that both businesses must compete with each other for business.
competitor analysis	Process of understanding and analysing a competitor, with a view of finding a competitive advantage .
compilation	Something which has been produced by bringing other things together, particularly a book.
complainant	Person who brings a complaint, particularly someone who alleges that a crime has been committed.
complaint	(1) In civil law, the first step in initiating proceedings in the magistrates' court. (2) In criminal law, the allegation that a crime has been committed. (3) In Scots law, "a document starting summary (minor) criminal proceedings in a sheriff court, before a stipendiary magistrate or a Justice of the Peace Court setting out the crime or offence charged" ((Judiciary of Scotland website glossary)).
complaisant	Desirous of pleasing. The word should not be confused with the similar sounding complacent, which has a different meaning.
complement	Go together well; fitting well with.

complementary goods	Goods which are used together, so an increase or decrease in demand leads to an increase or demand in the other.
complementary regulator	Term used in Regulatory Enforcement and Sanctions Act 2008 s28B as inserted by Enterprise Act 2016 s20.
complementary tax	In international tax, a system whereby there is a sharper increase to higher rates of tax to compensate for lower rates because the income was subject to separate taxes.
complete	Conclude the formalities, particularly in terms of buying property.
complete and free from material error	<p>In accounting, an expression used in Statement of Principles as a requirement for financial statements. It is one of the five elements of reliability, which in turn is one of the four requirements for accounting information.</p> <p>Although considered as one requirement, it has two elements. The former is that nothing should be omitted which could have a material effect on the accounts. The latter is that what is included should be presented with reasonable accuracy.</p>
complete annuity	Annuity where a portion is payable up to the date of death.
completed contract method	In international tax, method of recognising the profit or loss from a long-term contract, such as for construction. It works by broadly apportioning the overall profit or loss across the relevant tax years.
completeness	<p>Qualitative characteristic expected in financial statements.</p> <p>“To be reliable, the information in financial statements must be complete within the bounds of materiality and cost. An omission can cause information to be false or misleading and thus unreliable and deficient in terms of its relevance” (FRS 102 section 2.10).</p>
complete set of financial statements	<p>All the accounts an entity is expected to produce (FRS 102 section 3.17).</p> <p>They are:</p> <ul style="list-style-type: none">• statement of financial position at the reporting date (balance sheet)• statement of comprehensive income (profit and loss account), or alternative• statement in changes in equity (unless the only changes are retained profit, dividends, prior period errors and changes in accounting policy)• statement of cash flows• notes, “comprising a summary of significant accounting policies and other explanatory information”.
completion	Act of finishing a task, particularly in terms of taking possession of an acquired property.

completion date	When a particular task should be concluded.
completion day	Date in a completion notice from which council tax or business rates become payable on a new building.
completion notice	Notice served by a local authority on the owner of a building when the authority either considers the building to be complete or reasonably expects it to be within three months. Council tax or business rates become payable from the completion day .
completion period	<p>In relation to film losses, the term is defined in Corporation Tax Act 2009 s1208(2).</p> <p>In relation to provisional entitlement to film loss relief, the term is defined in Corporation Tax Act 2009 s1212(1). For programme losses, the term is defined in ibid s1216D(2). For provisional entitlement to loss relief, the term is defined in ibid s1216E(1).</p> <p>For video games tax relief, the term is defined in Corporation Tax Act 2009 s1217D(2).</p> <p>For orchestra tax relief, the term is defined in Corporation Tax Act 2009 s1217S(2).</p> <p>For museums and galleries exhibition tax relief, the term is defined in Corporation Tax Act 2009 s1218ZD(2).</p>
completion risk	Inherit risk in limited recourse financing of a project that the project may not be completed.
complex case	For tax tribunals, a case that is expected to be complex, require a long hearing or involving a large sum (The Tribunal Procedure (First-tier Tribunal) (Tax Chamber) Rules SI 2009 No 273 rule 23). Such a case may go straight to the Upper Tribunal.
complexity index	Another term for tax complexity index , a measure developed by the Office of Tax Simplification to measure how difficult pieces of tax legislation are to understand and apply.
complex lottery	Form of lottery which has two or more stages. In the first stage, a winner is selected at random as in a simple lottery . There are then further stages which do not rely on chance (Gambling Act 2005 s14(3)).
complex sale	Sale which requires the consent of more than one person on the customer's side. Such sales are more difficult as the sales person must address the concerns of all parties involved.
compliance	<p>Agreement to follow a set of requirements, or the processes put in place to ensure that those requirements are followed.</p> <p>The term is particularly used in relation to financial institutions following the rules of the Financial Conduct Authority and other bodies.</p>

compliance audit	Audit of procedures, such as whether invoices paid can be traced to despatch notes and orders placed.
compliance burden	Cost to an individual or business of complying with a tax law or other regulatory provision. It is a factor that must be considered when legislating.
compliance certificate	Certificate issued by a company to an investor under Income Tax Act 2007 s204(1) which states that its issue of shares meets the requirements for EIS relief . The company must have first issued a compliance statement to HMRC.
compliance condition	<p>In relation to universal credit, this is a condition that a non-compliance with a requirement should cease or that the claimant must comply with a condition in the future (Welfare Reform Act 2012 s27(6)).</p> <p>Failure to follow a compliance condition can lead to a loss of benefit.</p> <p>Similar provisions apply to jobseeker's allowance under Jobseekers Act 1995 s19C as inserted by Welfare Reform Act 2012 s46.</p>
compliance cost	Expenses of meeting requirements of compliance .
compliance department	Section of an organisation which is responsible for ensuring the compliance of that organisation.
compliance objective	One of the objectives of the Charity Commission (Charities Act 2011 s14).
compliance officer	Employee of an organisation who is responsible for ensuring the compliance of that organisation.
compliance order	<p>(1) Order that the Secretary of State may impose on a professional body that fails to discharge its duties under insolvency law (Insolvency Act 1986 s391T).</p> <p>(2) Court order that may be issued under Data Protection Act 2018 s167.</p>
Compliance Reform Group (CRG)	Body formed by HMRC with taxpayer representatives to work on ensuring better compliance with tax requirements.
compliance statement	Certificate issued by a company to HMRC under Income Tax Act 2007 s205 confirming that an issue of shares meets the requirements for EIS relief . Such a certificate must be issued before a compliance certificate is issued to the investor.
compliant warehouse	Term used in Finance Act 2017 s32(4)-(5) in relation to soft drinks industry levy.
component	Part of something.
component of an entity	<p>For accounting standards, "operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity" (FRS 102 glossary).</p> <p>For International Accounting Standards, an identical definition appears</p>

in IRS 5.A.

component of total income An element of an individual's **total income** which may be subject to a specific tax provision (Income Tax Act 2007 s23).

composer An artist, sculptor, composer or other creator of art may average profits over three years under certain conditions (Income Tax (Trading And Other Income) Act 2005 s221).

composite hereditament Premises that are used both as business premises and living accommodation. Council tax is payable for the living accommodation, and business rates on the rest.

composite holding Holding of more than one class of share or debenture of a quoted company following a reorganisation of the company's capital. The capital gains tax implications are given in Taxation of Capital Gains Act 1992 s130.

composite insurance company Company which offers most forms of insurance and pensions.

composite rate Rate which seeks to average various rates. The term was particularly applied to the special income tax rate applied to interest paid on building society accounts between 6 April 1986 and 6 April 1991.

composite rate tax (CRT) Amount of tax that banks deducted from interest at the **composite rate** between 1986 and 1991.

composite resolution Resolution which incorporates several different resolutions which have the same general effect. These are often seen at the **TUC conference**.

composite service company (CSC) Companies that employ staff to be provided to clients. Such companies need to consider whether they come within the scope of **IR 35**.

composition In finance, an arrangement between a debtor and his creditors whereby the debtor settles his debts by paying only part of them. It is also known as **compounding**.

composition of felony Old criminal offence of working with a felon.

composition order Alternative to a final order when a debtor cannot clear his debts within three years.

compos mentis Latin: of sound mind.

compound *Excise duty*
"To combine or mix spirits or previously compounded spirits with any other substance, excluding water, so as to distinctly alter the character or flavour of

the original spirits, the process must produce BCS [**British Compounded Spirits**] without subjecting the spirits to distillation" (Customs leaflet 41).

Other meanings

(1) Description of repeated addition.

(2) Arrangement whereby a debtor settles with his creditors by paying only part of what is owed. This is also known as a **composition**.

(3) In criminal law, to accept money for non-disclosure of information about a crime.

compound annual growth rate (CAGR)

The annual growth rate over a period of several years. It takes a **geometric mean** over the period. This means that if a company has shown 20% growth over three years. The CAGR is the cube root of 1.2 is 1.0626, so the CAGR is 6.26%.

compound annual return (CAR)

Total return from an investment, expressed according to a common formula which makes investments more comparable. It is to investments what **APR** is to borrowing.

compound discount

Difference between the nominal amount and its present discounted value. So if £100 in two year's time is worth £95, the compound discount is £5.

compounded settlement

Offer by HM Customs and Excise not to pursue criminal action in return for a penalty payment made by the person charged with an offence.

compounder

"Means a person holding a licence as a compounder under section 18 below" (Alcoholic Liquor Duties Act 1979 s4(1)).

compounder's licence

Person who holds a licence to use spirits in the manufacture of food products, such as flavours and essences. Further details are given in Customs notice 41.

compound financial instrument

For accounting standards, "a financial instrument that, from the issuer's perspective, contains both a liability and an equity element" (FRS 102 glossary).

compound householder

Person who makes one payment for both rent and council tax (or rates).

compounding

Arrangement between a debtor and creditors for settling debt other than by full payment when due.

compound interest

Mathematics

Where interest is charged on the principal and on the interest already applied, as against **simple interest** where interest is only charged on the principal.

If interest is charged at 5% on £1,000, the interest rate after year 1 is £50 under either simple interest or compound interest. For year 2, the 5% is charged on the total of £1,050, so the interest rate is £52.50. So the total is £1102.50 for compound interest, against £1100 for simple interest.

As time passes, the effect of compound interest is enormous as can be shown by how £1,000 grows at 5% a year.

Years	Compound interest	Simple interest
1	1050.00	1050.00
2	1102.50	1100.00
3	1157.62	1150.00
4	1215.50	1200.00
5	1276.27	1250.00
10	1628.89	1500.00
20	2653.29	2000.00
30	4321.94	3500.00
40	7039.98	4000.00
50	11,463.99	4500.00
100	131,501.25	6000.00

To calculate compound interest, it is necessary to use special tables or, more commonly, a calculator with a key marked x^y . On many calculators this key is obtained by pressing SHIFT and then another key such as x (multiply).

The interest rate is converted from a percentage by dividing by 100 and adding 1, so 5% is expressed as 1.05. Using this figure for i , the total amount of principal and interest after n years is i^n .

Tax refunds

On 1 November 2017, the Supreme Court ruled that interest on tax refunds was subject to simple interest and not compound interest. (*Littlewoods Ltd v HMRC. SC [2017] The Times 22 November 2017*).

- compound journal entry** Entry in a journal which involves more than one debit and one credit.
- compound net annual rate (CNAR)** The same as **compound annual rate**, but making clear that a net interest rate is being used.
- compound option** An option on an option. It allows the holder to sell the option at a set date at a set price.
- compound quantity** In algebra, quantity containing more than one term, as in:

$$x + y$$
- compound reversionary bonus** A with-profits life assurance bonus, normally added to the policy. It is based on the profits of the life company's investments. It is paid on the earlier of the maturity of the policy and the death of the holder.
- compound settlement** Where land is settled by more than one deed, will or other document. The relevant law is Settled Land Act 1925.
- comprehension** Ability of the mind to understand.

comprehensive income	Total income from all sources, including capital gains. In the UK, comprehensive income is shown in the statement of total recognised gains and losses. In the USA, this figure must be declared by businesses.
comprehensive income tax	Proposed tax on all income, with few if any exceptions, and no distinction between income and capital gains. It has the advantage of simplicity and avoiding marginal distinctions.
comprehensive insurance	Insurance policy which covers all risks (with a few exceptions). The term is particularly used for motor insurance.
comprehensive tax system	In international tax, any system that taxes total income rather than schedules of income.
compressed workweek	American term for a scheduling system that allows an employee to complete their contracted hours in fewer days. Typically, it reduces a week or fortnight to fewer than five or ten working days respectively.
COMP	Contracted out money purchase, a form of occupational pension scheme.
compromis d'arbitrage	French term for when two countries refer a dispute to an arbitrator.
compromise	In law, an agreement between parties which settles a matter without litigation.
COMPS	Contracted-out money purchase scheme , a form of occupational pension scheme.
COMPSHP	Contracted out money purchase stakeholder pension scheme.
COMPS service	"Service in employment in respect of which minimum payments are made to a money purchase contracted-out scheme" (Social Security Contributions and Benefits Act 1992 Sch 1 para 1(9)).
Comptometer	Trade name for an old type of accounting machine.
comptroller	Old title sometimes used for a financial controller, although it has the same meaning. The term is commoner in the USA than UK.
Comptroller and Auditor General	Head of the National Audit Office who reports to the UK parliament on the audit of government departments. The terms "means the Comptroller-General of the receipt and issue of Her Majesty's Exchequer and Auditor-General of Public Accounts appointed in pursuance of the Exchequer and Audit Departments Act 1866" (Interpretation Act 1978 Sch 1). The position is now governed by Budget Responsibility and National Audit Act s11.

- Comptroller of the Currency** In USA, Treasury Department official who is responsible for looking after the banking system.
- compulsory acquisition** *Land*
Land acquired by a body having such powers. Although commonly known as **compulsory purchase**, it is often not a purchase as there is no willing sale, and the payment represents compensation.
For capital gains tax, the provisions are set out in Taxation of Capital Gains Act 1992 from s245.
- Shares in a takeover*
Acquisition of shares from unwilling sellers, usually in the final stages of a takeover bid.
- compulsory annuity** The UK legal requirement that at least 75% of a pension fund must be used to acquire an **annuity**, and which therefore limits the payment of a lump sum to 25% of the fund.
- compulsory deregistration** **Wh**When a business is obliged to have its VAT registration cancelled. This must happen in various circumstances, such as ceasing to make taxable supplies.
- compulsory liquidation** Liquidation of a company ordered by the court.
- compulsory loan** Scheme whereby a country, rather than introducing a new tax, obliges people or bodies to lend it money. The UK system of **post-war credits** is an example.
- compulsory maternity leave** A period of two weeks after the birth of a child when a woman is not allowed to return to work (Employment Rights Act 1996 s72).
This period is extended to four weeks if she works in a factory. Compulsory maternity leave forms part of **ordinary maternity leave**.
- compulsory purchase** *Land*
Land acquired by the government or a local authority under statutory powers. The term is more accurately described as **compulsory acquisition**.
A part disposal is covered by Taxation of Capital Gains Act 1992 s243.
The stamp duty implications are given in Finance Act 1895 s12.
- Annuity*
An annuity bought with the fund built up in a personal pension scheme annuity.
- compulsory purchase annuity** Some approved occupational pension schemes produce a benefit at retirement that is expressed in cash terms rather than pension. The cash sum produced must then be used to purchase an annuity known as a 'Compulsory Purchase Annuity' (but see Commutation).
- compulsory recognition** For trade unions, recognition which is awarded by the **Central Arbitration Committee** after following the procedure in Trade Union and Labour Relations

(Consolidation) Act 1992 Sch A1.

- compulsory registration** When the law requires a person or business to register, particularly the requirement for businesses of sufficient size to register for VAT.
- compulsory severance** In relation to public pensions, means “the consequence of dismissal...” (Superannuation Act 2010 s3(6)(a)).
- compulsory winding up** Winding up of a company which is ordered by the court.
- compurgation** Old legal term for clearing an accused person by witnesses joining their oaths to his. It was abolished by Civil Procedure Act 1833.
- computable** Description of something which may be calculated.
- computation** Calculation.
Sometimes a distinction is made that a computation involves the application of rules, as in calculating the amount of tax due, whereas a calculation is simply the performing of mathematical functions.
- computational error** Mistake which arises from a calculation rather than from the original figures.
- computational provisions** Those parts of tax law which state how tax is to be calculated.
- computer** Machine for calculating and processing **data**.
This is listed in Capital Allowances Act 2001 s23 List C as an item that is not affected by the provisions of s21 (buildings) or s22 (structures). This means that its eligibility for capital allowance depends on the nature and purpose of the item.
- computer application** A computer program with a **graphic user interface (GUI)**.
- computer-assisted execution system (CAES)**
An inter-dealer automated execution system used on NASDAQ.
- computer-assisted trading (CAT)**
Use of computers to make decisions about buying and selling according to how the markets move.
- computer bureau** Business which provides computer services. This includes processing data, usually with some related clerical services.
- computer consultancy** Under the VAT flat rate scheme, the appropriate percentage is:

From	Percentage
4 January 2011	14.5%
1 January 2010	13%
1 December 2008	11.5%
1 January 2004	13%

computer department	Part of an organisation which is responsible for managing the computers. These departments are now more commonly called IT departments .
computer documents	In civil law, such documents may be admitted as evidence under Civil Evidence Act 1968. In criminal law, they may be admitted under Police and Criminal Evidence Act 1984. In both cases, they are subject to particular provisions.
computer equipment	For VAT on charity funded equipment , "includes hardware such as servers, screens, keyboards and disks. "Machinery or other equipment that is either operated by computer or has computerised components is not computer equipment". (VAT notice 701/6).
computer file	Collection of similar data held on a computer, such as a list of customers or a collection of letters.
computer hardware	The machinery of a computer as against the software . Computer hardware typically comprises a central processing unit with input devices and output devices. Input devices may include a keyboard, mouse, scratch pad, scanner and card reader. Output devices may include a printer and screen. In addition, the computer may have disk drives which can be both input and output devices.
computerisation	Process of putting manual records on to a computer system.
computerise	Transfer records to a computer, such as when an accounting function is no longer performed using manuscript accounts .
computer listing	Print of a list from a computer.
computer manager	Person in an organisation responsible for oversight of the computers.
computer misuse	The proper name for hacking .
computer network	Arrangement whereby more than one computer can access the same data.
computer repair	Under the VAT flat rate scheme, the appropriate percentage is:

From	Percentage
4 January 2011	10.5%
1 January 2010	9.5%
1 December 2008	10%
1 January 2004	11%

computer software	Another name for software .
conacre	Grazing licence in Northern Ireland.

concealment	<p>Deliberate hiding.</p> <p>In accounting, this may refer to items which are deliberately hidden from the auditor or tax authorities.</p> <p>The term is also used for assets which are hidden from a liquidator or credit. This is also known as squirrelling.</p> <p>For money laundering, this is a specific offence under Proceeds of Crime Act 2002 s327.</p> <p>Concealment can also increase the amount of penalty imposed for a tax offence.</p>
concealment case	<p>Case brought by a woman for equal pay where the employer has concealed relevant information from the woman (Equal Pay Act 1970 s2ZA(2)).</p>
concealment device	<p>Something which appears to be an ordinary item but which is designed to conceal an item.</p> <p>Such items have been primarily devised for espionage. The British government had a department MI 9 producing such items during the second world war. They have occasionally been used as a form of safe, such as disguising a wall drawer to look like a power point. Other concealment devices include books, candles, cans, coins, and computer. Sometimes a safe contains a concealment device, like a safe within a safe.</p>
concealment of birth	<p>Criminal offence of secretly disposing of the body of a dead baby.</p>
concealment of securities	<p>Criminal offence of dishonestly destroying, concealing or defacing any valuable security, will or any document from a government department with a view to gaining a personal financial gain for oneself or loss to another.</p>
concentration	<p>(1) Ability to think exclusively on a subject for a period.</p> <p>(2) Extent to which a business has a significant market share.</p> <p>(3) Term used in EU law for a merger of businesses.</p>
concentric merger	<p>Joining together of two businesses, primarily to share their expertise.</p>
concept	<p>Idea or principle.</p> <p>In accounting, it is a general term for the principles and similar on which accounting is based.</p>
concept testing	<p>Testing the <i>idea</i> of a new product or service with a target audience before making it generally available.</p>
conceptual framework	<p>A statement of principles providing generally accepted guidance for the development of new reporting practices and for challenging and evaluating the existing practices.</p>
concern	<p>(1) General term for any type of business or organisation.</p> <p>(2) Expression that something may not be right. It is usually the first stage to investigation. Expressing a concern is not a statement that the person believes something <i>is</i> wrong.</p>

concert party	Group of people acting together, such as in acquiring shares with a view to mounting a takeover bid.
concert party agreement	Secret agreement between members of a concert party .
concert series	An election that may be used in relation to orchestra tax relief. Its provisions are set out in Corporation Tax Act 2009 s1217QA.
concertina order	Sequence of orders obtained together in an IVA .
concession	(1) Right to use someone else's property, such as a retailer who is allowed to operate in a large store. (2) Exclusive right to sell a particular product, perhaps subject to conditions, such as in a defined area or to a defined category of customers. (3) Yielding a point, and not proceeding with enforcing a right. It is the first of the three Cs in dispute resolution .
concessionaire	Person or business which has a concession , namely the exclusive rights to sell particular goods in a particular place.
concessionary coal	"Means any coal or other solid fuel supplied free of charge or at reduced prices" (Small Business, Enterprise and Employment Act 2015 s158). This section allows that right to be funded by the state to an employee who was working for a company engaged in deep coal-mining on 1 January 2014.
concessionary fare	Fare which is reduced for a particular category of person, such as children and the elderly.
concession tax	In international tax, any tax whose payments establishes the taxpayer's legal status, such as a company or employee. There is no concession tax in the UK, where fiscal obligations flow from status, not the other way round.
concierge	Warden, janitor, porter.
conciliar	Pertaining to a council, particularly an ecclesiastical council.
conciliation	Bringing together employers and employees with a view to resolving a dispute. conciliation Conciliation usually involves either mediation or arbitration , using starting with the former.
conciliation agreement	In the USA, a binding written agreement that details specific contractor commitments that arose from breaches of rehabilitation law.
Conciliation Board	Body formed in 1893 to mediate in industrial disputes. They were largely ignored, as employers established their own forums. Today the work is done by ACAS .

conciliation officer	A person designated under Trade Union and Labour Relations (Consolidation) Act 1992 s221 to assist in resolving workplace issues.
conclusion	In Scots law, "the statement of the precise order sought in a civil action in the Court of Sessions" ((Judiciary of Scotland website glossary).
conclusion date	In relation to VAT, "means the date of the document notifying the conclusion of the review " (Value Added Tax 1994 s83G(7)).
conclusive evidence	Evidence that must be accepted in a court of law, such as a company's certificate of incorporation.
concurrent interests	Ownership of land by two people at the same time, usually as either joint tenants or as tenants in common.
concurrent jurisdiction	Part of the jurisdiction of the Courts of Chancery that was enforced equally in the common law courts. The notion was abolished by Judicature Acts 1873-75.
concurrent lease	Lease granted by a landlord at the same time as another lease for the same property. The consequence is that the second lessee acquires the landlord's rights and duties in respect of the original lease.
concurrent sentence	In criminal law, sentence served at the same time as another.
concurrent validity	In human resources, a means of determining the validity of a test by comparing its scores against actual job performance.
concurrent writ	Duplicate writ that may be issued between the date of the original writ and the date that it ceases to be valid.
COND	Part of the FCA handbook in the section of High Level Standards that deals with Threshold Conditions.
condemnation	In law, a ruling that a vessel has been lawfully captured and now belongs to the captor.
condemnation proceedings	Proceedings that a person may take in the magistrates' court against HMRC, arguing that the seizure of goods by Customs is not lawful. A person who brings such proceedings cannot then make a further appeal to a tax tribunal against the seizure.
condescendence	In Scots law, "a written statement in a action setting out the factual and legal grounds of action of the pursuer in a civil action" ((Judiciary of Scotland website glossary).
condition	Element of a contract. A condition is a provision in a contract which must be carried out as part of the contract.

conditional access	Computer technology which is designed to prevent unauthorised users for viewing material which requires a payment.
conditional admissibility	Description of evidence whose admissibility depends on evidence whose relevance has yet to be established. The courts usually allow such evidence on the understanding that the relevance will later be established. Such evidence is said to be accepted "de bene esse".
conditional agreement	Agreement that will take effect if a future event happens.
conditional bid	Term used particularly in takeovers. The offer price of the shares to be bought is on condition that sufficient shares are offered to acquire a controlling interest. If insufficient shares are offered, the bid fails.
conditional caution	Caution given by the police to someone over 18 who admits a criminal offence for which a trial is considered inappropriate, where the caution has conditions which the person must obey (Criminal Justice Act 2003 s22).
conditional discharge	In criminal law, this may be ordered when the court believes that neither punishment nor probation is appropriate.
conditional indorsement	When a bill of exchange has been indorsed subject to a condition. The condition may be ignored (Bills of Exchange Act 1882 s33).
conditionality	In international finance, principle under which the International Monetary Fund supports member states if the state takes appropriate action to deal with the cause of the economic problem which prompted the request for the loan.
conditionality threshold	Minimum requirement regarding earnings and hours to qualify for universal credit .
conditionally exempt occasions	Term used in connection with the inheritance tax exemption for certain transfers of works of art, and similar. The law is Inheritance Tax Act 1984 from s78.
conditionally exempt transfer	Transfer of property that appears to be pre-eminent for its national, scientific, historic or artistic interest (Inheritance Tax Act 1984 s31). The Treasury must be satisfied that this condition is met. Such a transfer is exempt from inheritance tax. Note that this provision is completely different from potentially exempt transfers . Also note that there is a separate scheme for accepting works of art and similar in <i>payment</i> of inheritance tax.
conditional order	In investment, an order to a broker to be followed only if a condition is met, such as a share being bought for no more than £2 each.

conditional probability	In statistics, the probability of an event that is conditional on the occurrence of another event.
conditional sale	<p>Sale which is subject to conditions.</p> <p>The most common example is a sale of goods where the price is payable in instalments, such as a hire purchase agreement. The goods remain the property of the seller until the full price is paid or the customer meets another condition.</p> <p>VAT is paid on goods supplied to a customer on the same basis as if the goods were sold directly (VAT notice 700). This applies even if ownership of the goods remains with the seller.</p>
conditional sale agreement	Sale under which payment is made by instalments to a finance company which pays the supplier. If the finance company refuses to lend the money, the sale fails. It is regulated by Consumer Credit Act 1974 s189(1)).
conditional sales contract	<p>For consumer protection, “means a sales contract under which —</p> <p>(a) the price for the goods or part of it is payable by instalments. and</p> <p>(b) the trader retains ownership of the goods until the conditions specified in the contract (for the payment of instalments or otherwise) are met;</p> <p>and it makes no difference whether or not the consumer possesses the goods”.</p> <p>(Consumer Rights Act 2015 s5(3)).</p>
conditional share award	<p>“An award of a number of shares of which the employee will become the owner at a future date if specified conditions are met”</p> <p>(Inspectors' Manual at BIM 44001).</p>
conditioned fear	In psychology, process of learning by which people, babies and even animals can be taught behaviour in learning that certain conduct will avoid pain or discomfort.
condition for door supervision	Condition that may be attached to any of the various types of premises licence for gambling (Gambling Act 2005 s178).
conditions of employment	<p>Provisions in a contract of employment which regulate that employment.</p> <p>Such provisions are only legal to the extent that they comply with company law, do not contravene the Unfair Contract Terms Act 1977 and are not contrary to public policy.</p> <p>The conditions must be agreed by the employee <i>in advance</i>. They may be contained in the contract itself or otherwise made known to the employee such as in a separate book or on a notice board.</p>
conditions of sale	Provisions in a contract for sale, where such provisions regulate that sale. Conditions are implied in all sales to consumers.
condominium	<p>In UK, a country that is run by two or more other countries.</p> <p>In the USA, a form of property ownership similar to commonhold.</p>

condonation	Excusing the behaviour of another. This was a bar to divorce until repealed by Divorce Reform Act 1969.
condor spread	<p>In options dealing, an investment strategy that uses four strike prices that limit both risk and profit potential. It involves writing three call options at low prices and buying one call at the highest price.</p> <p>This strategy is often undertaken when there is an expected increase in volatility.</p>
Condor token	Privately issued copper token for the value of a penny, halfpenny or farthing issued in the late 1700s when there was a shortage of low value coinage. They were originally produced by Parys Mining Company, but were soon adopted as currency across the country. They often depicted advertising slogans. They are also called truck tokens. Their use is now illegal. The term Condor token comes from the book about them written by James Condor.
conduct	In relation to Customs and excise duties, "in relation to any person who has or may acquire possession or control of any goods, includes that person's intentions at any time in relation to those goods" (Customs and Excise (General Reliefs) Act 1979 s13(4)).
conduct involving dishonesty	This was a specific VAT offence under Value Added Tax 1994 s60. It was partly repealed on 1 April 2008, and wholly repealed on 1 April 2009 when a new regime of penalties was introduced.
conduct money	Money paid to a witness to defray his or her expense of attending court.
conduct report	Report prepared about the director of an insolvent company under Company Directors Disqualification Act 1986 s7A as inserted by Small Business, Enterprise and Employment Act 2015 s105.
conduit case	Tax avoidance arrangement where money is paid out soon after being paid in. An example is <i>Herman v IRC [2007] STC 571</i> .
conduit company	In international tax, a company set up purely for tax avoidance purposes. Typically the conduit company is located in a tax haven so it pays little or no tax. The profits are then distributed to the shareholders as dividends, interest or royalties. The effect is to give individuals the benefit of a tax haven to which they would not otherwise be entitled.
conduit system	In international tax, a system whereby the corporation tax (or equivalent) of a company is integrated with the shareholder's income tax.
conduit transaction	In international tax, transaction of a branch of an international banking company where the branch is neither an independent business nor a body that accepts responsibilities for the company. Rather, it acts as agent for the company.
confectionery	For VAT, confectionery is generally standard-rated as it is explicitly excluded from the scope of zero-rated food by Value Added Tax 1994 Sch 8 Group 1

Excepted Item 2.

“Confectionery includes chocolates, sweets and biscuits; drainedm glacé or crystallised fruits, and any item of sweetened prepared food which is normally eaten with the finger” (Value Added Tax 1994 Sch 8 Group 1 Note (5)).

In 2008, the High Court held that while confectionery must be sweet, it does not have to have had sweeteners added (*HMRC v Premier Foods (Holdings) Ltd. Ch D [2008] STC 176*). Barley sugar and fruit bars have no added sweetening but are confectionery.

The exact scope is set out in VAT notice 701/14.

Confédération Fiscale Européene (CFE)

Body of tax institutes in Europe. In September 2017, it changed its name to CFE Tax Advisers Europe.

Confederation of Asian and Pacific Accountants (CAPA)

Large body of accountants based in Asia and Pacific Rim countries.

Confederation of British Industry (CBI)

Body formed in 1965 from the amalgamation of several older bodies. It represents the views of employers in national dealings, such as with government.

conference

In law, this term usually means a meeting between a solicitor and barrister to discuss a case.

confession

Admission of guilt.

In general, it is admissible in legal proceedings only if made voluntarily and freely. The onus of proving this generally rests with the Crown (*DPP v Ping Lin [1975] 3 WLR 419*).

confidential

Description of information received subject to conditions about disclosure.

In law, a document or information is only confidential if:

- it was received confidentially, that is the person who was told the information accepted that he did so confidentially;
- the information has the nature of confidentiality, which means that it has some sensitivity which prevents its disclosure; and
- the document or information is not already in the public domain or otherwise known to the recipient.

Confidentiality is different from **privacy** and **secrecy**, where separate conditions apply.

HMRC keep taxpayer details confidential until a matter is heard in a tribunal or court. An individual is free to publish his or her tax return if he or she so wishes. Some politicians have done so.

confidential credentials

Term used by HMRC for Government Gateway codes and passwords to access an individual's tax files on-line.

confidential identifiers	Those codes and passwords that allow access to personal tax data held by HMRC.
confidential report	Report where the right to read is restricted.
confidentiality	<p><i>General</i></p> <p>An agreement between two parties that information is provided subject to restrictions imposed by the provider.</p> <p><i>Tax officers and police</i></p> <p>Every Commissioner and officer of HMRC is required to make a declaration of confidentiality under Commissioners for Revenue and Customs Act 2005 s3. The duties of confidentiality are set out in s18.</p> <p>Where HMRC discloses personal information under provisions of Digital Economy Act 2017, the person to whom it is disclosed must not make a further disclosure (Digital Economy Act 2017 s42(1), s51(1), 59(1), 67(1), and 74(1)).</p> <p>In Scotland, the term protected taxpayer information is used for similar provisions (Revenue Scotland and Tax Powers Act 2014 s14).</p> <p>The duties of confidentiality by police in tax matters is set out in s29. Revenue and Customs Prosecution Office is bound by s40.</p> <p><i>Tax professionals</i></p> <p>The duty of confidentiality for tax accountants and advisers is set out in Professional Conduct in Relation to Taxation paras 2.14 to 2.18.</p> <p>This states (in para 2.14) “confidentiality is a professional principle and is also a legally enforceable contractual obligation. It may be an express term of the engagement letter between the member and the client. Where is it not an express term, a court would in most circumstances treat confidentiality as an implied contractual term”.</p>
confidentiality clause	Clause in a legal agreement that neither party will disclose certain details to any third party. Such clauses are commonly found in contracts of employment, and in agreements to settle a dispute.
confidentiality hallmark	<p>Condition agreed between a promoter of tax avoidance schemes and clients that the promoter will not disclose details of the scheme to any third party. Normal professional advice is not included.</p> <p>The existence of this hallmark is one factor which suggests that the scheme needs to be disclosed under the Disclosure of Tax Avoidance Schemes regulations.</p>
confined	In relation to statutory maternity pay, “is to be construed accordingly [to definition of confinement], and where a woman’s labour begun on one day results in the issue of a child on another day she shall be taken to be confined on the day of the issue or, if labour results in the issue of twins or a greater number of children, she shall be taken to be confined on the day of the issue of the last of them” (Social Security Contributions and Benefits Act 1992

s171(1)).

confinement

- (1) Restriction, such as imprisonment.
- (2) Time of childbirth. This term is used in some regulations about **statutory maternity pay**.

For this purpose, confinement "means —

- (a) labour resulting in the issue of a living child, or
- (b) labour after 24 weeks of pregnancy resulting in the issue of a child whether alive or dead" (Social Security Contributions and Benefits Act 1992 s171(1)). See also **confined**.

confirmation

- (1) Statement which accepts the truth of a statement already made. An example is a written order confirming a purchase already made by telephone.
- (2) In Scotland, a court order confirming the validity of a will and the identity of executors. It is the equivalent of **probate** under English law.
- (3) A church service where a person assents to their baptism as a child. Under canon law B27(6), a person may legally change their Christian name or names at this service.
- (4) In investment, when a share price moves in line with expectations, particularly against an index.
- (5) In law, a conveyance of an estate or right, where an estate is increased or made unvoidable.
- (6) In Scots law, "the authority obtained from a sheriff authorising a person (an executor) to gather and distribute the estate of a deceased person" (Judiciary of Scotland website glossary).

confirmation code

In computing, a code sent to a customer's e-mail address.

This term is particularly used for the code which indicates that a person will communicate with HMRC at that e-mail address.

confirmation of acceptance of studies

Form of **certificate of sponsorship** given to overseas students.

confirmation period

Period for which a **confirmation statement** may be submitted (Companies Act 2006 s853A(3)).

confirmation statement

Statement that a company may submit to Companies House to confirm that details already filed remain effective. It is an alternative to the annual return, permitted by Companies Act 2006 s853A as added by Small Business, Enterprise and Employment Act 2015 s92.

confirmatory resolution

Resolution of the House of Commons on a motion from the Chancellor of the Exchequer for the **renewal of a tax** (Provisional Collection of Taxes Act 1968 s5(3)).

confirmatory value

In accounting, ability of a user of accounts to confirm or correct their previous evaluation or assessment of an entity.

With **predictive value** this is one of the two elements that comprise **relevance**. This, in turn, is one of the four qualities of **accounting information**

required by **Statement of Principles**.

confiscation

Remove someone's property as a punishment.

Proceeds of crime may be ceased. Goods that breach Customs law may be ceased.

In Scots law, "a court order made in criminal proceedings, after conviction or absolute discharge, where money or other property is taken from the offender because he or she benefited by it from criminal conduct" (Judiciary of Scotland website glossary).

confiscation order

Order made to confiscate property and wealth which has been acquired by crime (Proceeds of Crime Act 2002 s6).

confiscation risk

Risk that assets may be confiscated by a foreign power.

confiscatory taxation

Taxation at such a high rate, it is equivalent to confiscation of property.

An example was the 98% rate of income tax that applied to investment income between 1975 and 1979.

conflict management

Management of disputes in the workplace. Procedures usually try to avoid resolving the underlying disputes, but instead find ways for workers to work together despite the disputes.

conflict of interest

When a person who has roles in two organisations finds that those interests conflict.

A director of a company must avoid such conflicts (Companies Act 2006 s175).

conforming loan

US term for a mortgage which conforms to GSE (government-sponsored enterprise) guidelines. The main providers of such loans were provided by **Fannie Mae** and **Freddie Mac** working together.

confounding variable

In statistics, a feature that is not controlled but could affect an outcome.

confusion of goods

Where goods of different owners are mixed so that ownership of any item cannot be established. The person who has best title generally becomes the owner of mixed goods but must compensate other owners.

Congested Districts (Scotland) Fund

Fund established to ease congestion in the Scottish highlands.

The Fund was established by Congested Districts (Scotland) Act 1897 s3.

congestion charge

Charge imposed on road users in an area with a view to reducing traffic in that area.

It widely refers to a scheme introduced in central London on 17 February 2003 operated by Transport for London. It applies to travel between 7am and 6pm on working days. A western extension was added on 19 February 2007 and removed on 4 January 2011.

The system requires no prepaid tickets or toll booths. Cameras read number plates of vehicles. There is a standard charge that is reduced for

prepayment or for registered fleet vehicles. It is increased for payment the following day. A penalty rate is applied when no payment has been made. In 2011, the standard rate was £10.

Some vehicles are exempt. These include taxis, motorcycles, emergency vehicles, alternative fuel vehicles and small three-wheelers. Residents in the zone receive a 90% reduction.

Transport for London claims that the charge is a toll and not a tax. The significance is that embassies are exempt from taxes but not from tolls.

For tax purposes, the charge is regarded as a travel expense and is therefore deductible if the travel is business travel rather than commuting.

If an employee is provided with a **company car** and the employer pays the congestion charge, the employee is not regarded as having received any further taxable benefit. The value of having the congestion charge paid is in effect covered by the **car benefit** charge.

conglomerate	Group of businesses. In particular the term is used to indicate a group of companies where the subsidiaries make very different products.
conglomerate discount	Difference between the separate values of the businesses which make up the conglomerate and the lower price at which the conglomerate trades.
conglomerate merger	Merger between two firms purely for creating a bigger entity, particularly when there is no commonality in expertise or product range.
Congo	<p>Name of two African states. The Democratic Republic of The Congo is on the Eastern border of the Republic of the Congo.</p> <p>Their currencies are respectively the Congolese franc of 100 centimes and Central French African franc of 100 centimes.</p> <p>The UK has no tax treaty with either state, but has a shipping and air transport profits agreement of 1976 with the Democratic Republic. This is still in the name Zaire, which was used by the country between 1970 and 1997.</p>
conjoined arrestment	One of three types of arrestment of earnings orders which may be made by a Scottish court. It is a combination of the other two, the earnings arrestment and current maintenance assessment . Each of these two elements is collected under its own rules.
conjoined bust	For coins, obverse image showing two portraits. In Britain, the only conjoined busts on coins were minted in the reign of William and Mary.
conjunction ticket	<p>One of two conditions that must be met for a connected flight to be regarded as part of a single journey for the purposes of air passenger duty. The other condition, the temporal condition, limits the number of hours between flights.</p> <p>Under Air Passenger Duty (Connected Flights) Order SI 1994 No 1821, a conjunction ticket must broadly cover each flight in the journey, and the passenger must have this ticket in his or her possession throughout the journey on all flights.</p> <p>Since 1994, many airlines have abandoned paper tickets in favour of electronic bookings. The consequences of this were considered by the Upper</p>

Tier Tribunal in *Ryanair Ltd [2013] UKUT 0176 (TCC)*.

- Con LR** Construction Law Reports, reports of court cases published from 1985.
- Connect** Risk-assessment software introduced by HMRC in 2009 to make it easier to detect tax fraud.
- connected brewery** Brewery that has a trade connection with another.
Such a connection can disallow entitlement to the lower rate of **beer duty** for **small brewery beer** (Customs notice 226).
- connected charities** Provisions regarding apprenticeship levy are given in Finance Act 2016 s102.
- connected charity** For the purposes of **tainted charity donations**, “in relation to another charity, means a charity which is connected with that other charity in a matter relating to the structure, administration or control of either charity” (Income Tax Act 2007 s809ZP and Corporation Tax Act 2010 s939G).
- connected companies relationship** Corporation tax provisions are given in Corporation Tax Act 2009 from s348.
- connected contracts** For employee indemnity insurance, two contracts that meet the conditions set out in Income Tax (Earnings And Pensions) Act 2003 s350.
- connected flight** Second or subsequent flight that is taken as part of one journey.
Under Air Passenger Duty (Connected Flights) Order SI 1994 No 1821, such a flight does not trigger a separate liability for duty provided it meets a temporal condition and ticketing condition.
The former limits the number of hours between flights so that **stopovers** are regarded as breaking the journey. The latter broadly requires **conjunction tickets** to be issued to cover the whole journey.
- connected institution or body** Term used in Charities Act 2011 s157 in relation to audits of charity accounts.
- connected parties relationship** For **loan relationship**, there are provisions regarding late interest in Corporation Tax Act 2009 from s372.
- connected person** Person with whom another person has a close relationship. This is usually either a family relationship (eg wife, brother) or a business relationship (employer or fellow director).
Many provisions of law and tax have specific provisions relating to connected persons. Company law, for example, requires disclosure of any dealings with a connected person.
These provisions often differ.
For the purposes of trading stock, the term is defined in Corporation Tax Act 2009 s168 and Income Tax (Trading and Other Income) Act 2005 s179.
For charities, the term is defined in Charities Act 2011 s118.
For capital gains, the term is defined in Taxation of Capital Gains Act 1992 s286.

connection rules	<p>Tax rules which connect parties, usually with the effect of denying or reducing a measure of tax relief.</p> <p>An example is the rule for enterprise investment schemes which prevent an investor providing short-term funding to help an investee company cope with a funding problem.</p>
connecting flight	<p>Common name for what is called a connected flight for the purposes of air passenger duty.</p>
connivance	<p>Active or passive acquiescence. This was once a bar to divorce.</p>
consanguinity	<p>Relationship by blood. This often establishes that two people are connected persons for tax purposes.</p>
consensus	<p>Broad agreement.</p> <p>For blockchain, the word has the specific meaning of the process whereby "all nodes will be able to identify the longest and most up-to-date ledger and agree on what it is" (ICAEW guidance 2017).</p>
consensus ad idem	<p>Latin: agreement to the same thing.</p> <p>This is one of the elements of a contract under English law.</p>
consensus facit legem	<p>Latin: custom makes the law.</p>
consensus forecast	<p>In investment, aggregated forecasts drawn from different brokers about the future performance of a company or economy.</p>
consensus pro lege servatur	<p>Latin: custom is held as law.</p>
consensus tollit errorem	<p>Latin: consent takes away error.</p>
consent	<p>(1) Acquiescence or agreement that has been honestly obtained.</p> <p>(2) In relation to data processing, "means a freely given, specific, informed and unambiguous indication of the individual's wishes by which the individual, by a statement or clear affirmative action, signifies agreement to the processing of personal data" (Data Protection Act 2018 s84(2)).</p>
consent dividend	<p>In the USA, a portion of a corporation's profit which may be deemed to be a shareholder dividend. This allows the company to avoid accumulated earnings tax.</p>
consent for development	<p>"In relation to an oil field, does not include consent which is limited to the purpose of testing the characteristics of an oil-bearing area" (Corporation Tax Act 2010 s356IB(2)).</p> <p>"In relation to a licensed area, does not include consent which is limited to the purpose of testing the characteristics of an oil-bearing area" (Corporation Tax Act 2010 s356J(4)).</p>
consent order	<p>Order given by a court or tribunal to which both parties have agreed. For tax tribunals, the procedure is given in The Tribunal Procedure (First-tier Tribunal)</p>

(Tax Chamber) Rules SI 2009 No 273 rule 34.

consequential loss

A financial loss occurring as the result of some other loss. Also known as an indirect loss.

The loss of the building, stock etc is a direct loss. The loss of a building destroyed by fire is a direct loss. The loss of profit because of the inability to continue trading is a consequential loss.

It is possible to insure against consequential loss.

consequential loss policy

Insurance policy which pays for losses sustained when a business is prevented from continuing from an insurable risk.

Such a policy is typically added to other policies. For example, insurance for premises may cover the cost of rebuilding plus the loss of profits and customer claims which may result from not being able to trade until the factory is rebuilt.

Such policies are also known as **loss of profits policy** or **business interruption policy**.

conservatism

See **prudence**. Sometimes used with a stronger meaning of understating assets and overstating liabilities.

conservatory tax

Term coined in 2012 in relation to energy efficiency measures that were supposedly to be required when any home improvement work was undertaken. It was claimed this would add 10% to the costs of such improvements. This was denied in House of Commons paper standard note SNSC-06301 of 16 April 2012.

consider

Give serious thought to.

There are some provisions of law and accounting practice which require a matter to be considered. This means that the business or person must be able to show that a matter was properly considered.

consideration

A benefit provided or a detriment suffered in return for a consideration from the other party.

For a **contract** to be valid under English law, either each party must provide a consideration or the contract must be under seal.

Consideration must be real but need not be adequate. A gift is not usually a contract but a sale for a nominal sum is.

Consideration must not be past. Although it is legal to agree to pay someone for what they have already done, that does not create a contract.

In most contracts, the considerations are that one person provides goods or services and the other person pays money. However, that is not a legal requirement. **Barter** transactions are contracts, as are agreements to settle disputes.

An agreement with a tax authority may create a contract.

A legal definition is "a valuable consideration, in the sense of the law, may consist either in some right, interest, profit, or benefit accruing to the other party, or some forbearance, detriment, loss, or responsibility given, suffered or undertaken by the other" (*Currie v Misa [1875]*).

For employment income, a definition is given in Income Tax (Earnings

And Pensions) Act 2003 s421A.

consideration not wholly in money

When part of the price paid for goods or services is not in money, as in a barter transaction or when two businesses swap goods.

For VAT, the value of the consideration must include the monetary equivalent of the non-monetary consideration. So a barter transaction is *two* supplies even though it is only one contract.

consignation

Act of consigning goods.

For consumer contracts, there are special provisions relating to Scotland given in Consumer Rights Act 2015 s27.

In Scots law, "the deposit in court or with a third party under court authority of money or an article in dispute" (Judiciary of Scotland website glossary).

consignee

Person to whom goods are consigned.

For Customs purposes, the consignee is the person to whom duty suspended goods are consigned and who accounts for those goods in the Member State of destination. This may be: a warehousekeeper who is approved to store the goods in duty suspension; a registered trader who accounts for duty on arrival or a non-registered trader who must have accounted for the duty to his fiscal authority before the goods are despatched.

consignment

Goods delivered by a carrier to a consignee at the direction of the consignor.

consignment accounts

Financial records which record goods sent and received.

Such accounts are now rarely kept, as these functions are administered through the normal ledgers and stock control.

consignment note

Document stating that documents have been sent.

consignment record

The record of an import or export consignment held on a computer inventory system.

consignment stock

When stock belonging to one person is stored on the premises of another (a dealer) who is allowed to sell it in the normal course of business, and who returns any unsold items to his supplier, usually the manufacturer. Such arrangements are widely used by car manufacturers.

The main element of consignment stock is that legal title does not pass to the dealer until a specific transaction takes place. The commonest is selling the stock to a customer, but other examples can include taking the item for the dealer's use.

The accounting treatment is explained in Appendix A to FRS 5. Broadly this involves identifying the nature of the arrangement between dealer and supplier, particularly in regard to commercial risk. If this leads to the view that the consignment stock represents the dealer's stock, that is how it is accounted under the **substance over form** accounting concept.

For VAT, consignment stock is regarded as a supply even though the

goods have not moved from the supplier's premises. However such stock is not normally regarded as an export or removal to an EU state until the goods have left the UK.

consignment tax

Levy charged on interstate transfers of goods. It is a specific tax in India.

consignor

Person who sends goods.

For Customs purposes, the authorised person from whose premises goods are dispatched in **duty suspension**.

consistency

One of the two elements of **comparability** (the other is **disclosure**), which in turn is one of the four qualities of **accounting information** required by **Statement of Principles**. The **consistency concept** is also a fundamental accounting principle.

Consistency requires that businesses adopt the same accounting policies from one period to the next.

consistency concept

Fundamental **accounting principle** that the same accounting policies are used each year unless there is a good reason to change and that is stated in the accounts.

consistency of presentation

Requirement that accounts "shall retain the presentation and classification of items in the financial statements from one period to the next" (FRS 102 section 3.11).

An entity may only depart from the duty of consistency if either:

- there is a significant change in the nature of the entity's operations requiring a departure, or
- a new accounting standard requires a departure.

Para 3.12 requires further disclosure for such a departure.

consistent identifier

Code that relates to an individual and is part of a series of such codes to deal with avoidance of harm of such an individual in care. It is defined in Health and Social Care Act 2012 s251A as inserted by Health and Social Care (Safety and Quality) Act 2015 s2.

consistorial

In Scots law, "relating to certain family matters, including actions of divorce, nullity of marriage, and legitimacy" (Judiciary of Scotland website glossary).

consistory court

Church court of the diocesan bishop.

In England, they still exist in the Church of England, but are now limited to dealing with accusations against clergy and applications to modify church buildings. Their ancient constitution was revised in May 2018,

They currently continue under Ecclesiastical Jurisdiction and Care of Churches Measure 2018.

An appeal from this court lies to the Court of Ecclesiastical Causes Reserved.

CONSOB

Commissione Nazionale per le Società e la Borsa, supervisory body of the Italian stock exchange.

consolidate	<p>Put together to make one, particularly when the accounts of a holding company and its subsidiaries are consolidated as group accounts or consolidated accounts.</p> <p>The process involves adding together the accounts of all companies after deleting transactions between them. So if A had £100,000 of sales including £1,000 to B; and B had £50,000 of sales including £2,000 to A, their consolidated figure for sales would be £147,000 comprising their combined sales less the sales to each other.</p>
consolidated accounts	<p>Accounts for a group of companies prepared as if they were one company.</p> <p>The accounting treatment is set out in FRS 102 Section 9. The requirement to produce them is given in para 9.2.</p>
consolidated annuities	<p>Government securities that pay interest but have no redemption date. They are commonly known as consols.</p>
consolidated balance sheet	<p>Balance sheet of a group of companies prepared as if they were one company.</p>
consolidated cashflow statement	<p>Cashflow statement for a group of companies prepared as if they were one company.</p>
consolidated financial statements	<p>For accounting standards, "the financial statements of a parent and its subsidiaries presented as those of a single entity" (FRS 102 glossary).</p> <p>For International Accounting Standards, a different definition with an identical meaning is used. This is "the financial statements of a group in which assets, liabilities, equity, income, expenses and cash flow of the parent and its subsidiaries are presented as those of a single economic entity" (IAS 27 para 4; IAS 28 para 3; IFRS 10.A)</p> <p>Under previous UK accounting standards, the term was defined as "the financial statements of a group prepared by consolidation" (FRS 2 para 4).</p>
consolidated fund	<p>Money held by the government in its Exchequer Fund. It comprises receipts from taxation and is used to pay for government spending. The Fund started in 1787.</p>
Consolidated Fund Act	<p>Law which is passed each year detailing application of public funds for spending.</p>
consolidated income statement	<p>Income statement for a group of companies prepared as if they were one company.</p>
consolidated profit and loss account	<p>Profit and loss account for a group of companies prepared as if they were one company.</p>

Consolidated Quotation Service (CQS)

Service provided by **NASDAQ** offering details on all securities listed on the New York Stock Exchange and a selection of other securities.

consolidated shipment

When goods from different suppliers are shipped together.

consolidated tape

American ticker tape system that provides last sale prices and volumes for transactions in public securities.

Consolidated Tape Association (CTA)

Body that administers **consolidated tape**.

consolidated Trade System (CTS)

Body that receives and electronically disseminates listed stock last-sale prices in all markets. It is administered by the **Consolidate Tape Association**.

consolidation

General

Process of putting things together to make one.

Shipping

In shipping, it is a procedure whereby a number of small consignments are loaded together to form a single, larger consignment. This must be carried out as part of a contract to transport the goods.

Accounting

In accounting, it is the process whereby you **consolidate** the accounts of a **group of companies** and present them as if they were one company.

Company law

In company law, the term means reducing the number of shares by issuing one new share for a number of old shares, such as issuing one share with a nominal value of £1 for ten shares with a nominal value of 10p. The law is in Companies Act 2006 s618. The opposite process is called **sub-division**.

consolidation act

Act of Parliament that consolidates older Acts into a more coherent and logical order. Most current taxes are consolidations.

Such Acts are regulated by Consolidation of Enactments (Procedure) Act 1949.

consolidation adjustments

Accounting adjustments made to the financial statements of companies in a group before **consolidating** them.

The adjustments include removing intra-group transactions and adjustments necessary for the accounts to be on the same basis.

consolidation cargo

Another term for **groupage**. This is when freight from more than one supplier is put together as a single consignment to another country. There are implications for Customs and VAT records.

consolidation condition

Condition that applies in relation to associated companies for banks' corporation tax. The condition is set out in Corporation Tax Act 2009 s133L(7)

as inserted by Finance (No 2) Act 2015 s18.

consolidation difference	The amount by which the price paid to acquire a subsidiary differs from the assets and liabilities acquired.
consolidation loan	Loan made to pay off other loans.
consolidation of actions	When a court orders that more than one action may be heard together, usually because they relate to the same issue.
consolidation of mortgages	The right of a mortgagee (lender) to require a mortgagor (borrower) to redeem all mortgages held between them if the mortgagor wishes to redeem any mortgage (Law of Property Act 1925 s93).
consolidation of shares	When shares of a very low value are replaced by fewer shares of higher value. Such as when 1p shares are replaced by 25p shares.
consolidation order	Order of a court that combines separate legal actions, so that the decision is binding on all parties.
consolidation phase	In investment, period which is typically indicated by a sideways move in a market, followed by a large rise or fall, often leading to a more stable position.
consolidation procedure	Accounting term for how accounts of companies in a group are combined to form a single set of consolidated accounts. The procedure is set out in FRS 102 from section 9.13.
consols	<p>Government bonds which pay interest but have no maturity date. The term is an abbreviation for consolidated annuities.</p> <p>They were first issued in the 18th century. They carry interest at 2½%. The price fluctuates in line with interest rates and is therefore sometimes used as a guide to gilt interest rates.</p>
consort	Partner or companion.
consortium	<p>(1) Where several businesses own another but under terms where it is not the subsidiary of any of them, for example if five companies hold equal shares in a sixth.</p> <p>(2) Association between husband and wife.</p>
consortium bank	Bank jointly owned by other banks, none of which is the single owner.
consortium claim	Claim for consortium tax relief under Income and Corporation Taxes Act 1988 s402(3)).
consortium company	<p><i>Link company</i></p> <p>“In relation to a link company, means a company which is a member of the group of which the link company is also a member but is not itself a member of the consortium of which the link company is a member” (Income and Corporation Taxes Act 1988 s406(1)).</p>

Loan relationship

The term “means a trading company, as defined by sections 185(1) of [Corporation Tax Act 2010], that is owned by a consortium or a holding company that is so owned” (Corporation Tax Act 2009 s371(1)).

consortium conditions	Conditions that must be met to claim corporation tax loss relief in a consortium. The three conditions are given in Corporation Tax Act 2010 ss132-133.
consortium relief	Relief from corporation tax when a consortium makes a loss. Broadly, the loss is claimed by each consortium owner in the same ratio as their holding.
Conspicuous Gallantry Medal	Award for bravery. Payments of pension or annuity in respect of the award are free of income tax (Income Tax (Earnings And Pensions) Act 2003 s638).
conspiracy	Agreement by two or more people to engage in a criminal or tortious act. Conspiracy is both a crime and a tort.
conspiracy theory	<p>Idea that events are all part of an organised plot.</p> <p>In reality, most supposed plots are fanciful interpretations on random events. Human nature is too unpredictable for all but the simplest of conspiracies to be reliable. Simple and obvious explanations are usually the correct ones.</p> <p>Once a conspiracy has been established in a workplace they can be very difficult to shift as every subsequent event can be made to fit the conspiracy. For example, if a workforce believes there is a conspiracy to make them redundant, a boss not saying good morning can be seen as hiding his embarrassment. A boss who says good morning can be seen as covering up.</p>
constant	<p>In mathematics, a number which does not change.</p> <p>In the formula:</p> $y = 2x + 7$ <p>only the number 7 is a constant, as the other two numbers change according to the value of x.</p>
constant currency	Currency value where fluctuations have been removed. This figure is often used to quantify sales and profit.
constant-dollar plan	American term for pound cost averaging .
constant exchange rate	Adjustment made to accounts to strip out day-to-day fluctuations in exchange rates in sales and profit figures.
constantia et virtute	Latin: by constancy and virtue.
constant purchasing power	Another term meaning current purchasing power .

constant sum game	In statistics, a game strategy where the total is always the same amount, such as when businesses are competing in a fixed market.
constat	Latin: it appears.
constituency	Area represented by a Member of Parliament.
constituency association	Body representing a political party in a constituency . Where a constituency boundary changes, any transfer of assets is ignored for capital gains tax purposes (Taxation of Capital Gains Act 1992 s264).
constituency or region	Area for which a member of a Parliament or Assembly is elected. In terms of allowability of claiming tax-free expenses, the area is extended to include 20 miles from the border (eg Finance Act 2013 s10(6)).
constituent council	In relation to funding for combined local authorities, "means — (a) a county council the whole or any part of whose area is within the area of the combined authority, or (b) a district council whose area is within the area of the combined authority" (Local Government Finance Act 1988 s74 as inserted by Cities and Local Government Devolution Act 2016 s9(2)).
constituent members	For a direction from HMRC that two or more persons are to be regarded as one person for VAT purposes, "in relation to a business specified in a direction under this paragraph, the persons name in the direction, together with any person named in a supplementary direction relating to that business (being the persons who together are to be treated as the taxable person), are in sub-paragraph (7) and (8) below referred to as constituent members" (Value Added Tax 1994 Sch 1 para 2(6)).
constituent wines	Two or more wines which are blended to make a saleable alcoholic drink. Alcoholic liquor duty is charged in accordance with Alcoholic Liquor Duties Act 1979 s54(3A).
constitution	Formal document by which a country or other body is organised and administered. The collection of documents by which a company is administered.
constitutional court	Court which determines whether a law is in accordance with the country's constitution.
constitutional documents	Documents that a member of a company has a right to receive on request from the company (Companies Act 2006 s32). The constitutional documents are: <ul style="list-style-type: none">• up-to-date copy of articles of association;• any resolution relating to the company's constitution;• court orders about the constitution;• certificate of incorporation;• current state of share capital (or guarantee for a company limited

by guarantee).

constrained discretion

“A principle which applies to the situation in which policymakers have some freedom (discretion) to vary policy instruments, such as taxes or interest rates, but within well-defined limits (constraints). A well-designed policy framework gives policymakers sufficient freedom to respond flexibly to shocks and sufficient constraints to ensure that they do not exercise their discretion in a way that could undermine the long-term stability of the economy.” (HM Treasury Guidance).

Constitutional Reform Act

Act of 2005 which made radical changes to the judicial system from 3 April 2006.

The main changes are:

- statutory guarantee of independence of the judiciary from politicians (though the principle has applied in practice for 900 years)
- reform of the role of Lord Chancellor, transferring judicial functions to the President of the Courts of England and Wales (ie the Lord Chief Justice)
- establishment of a Supreme Court separate from House of Lords
- an independent Judicial Appointments Commission to select candidates for judicial appointment
- Judicial Appointments and Conduct Ombudsman, responsible for complaints about judges and judicial appointments.

constraint

Restriction which prevents a person doing something. The restriction is usually a limit on resources, such as having insufficient funds, labour, space or time. A constraint can be created in other ways, such as by law or practical considerations.

In management accounting, a constraint is used in **opportunity costing**. The alternatives are considered according to which activity fully uses the constrained resource. The desired outcome (usually gross profit) is considered for each alternative to choose that which achieves the best result, such as the largest gross profit. The opportunity cost is the cost of the second best alternative which has been foregone.

In decision-making, a constraint is that which restricts the ability to maximise an **objective**. For example, health and safety is usually a constraint.

The term is used in a similar way in **project management**.

construction

Value added tax

For VAT purposes, new construction may be zero-rated under Group 5. However, the VAT provisions are very complex, so advice should usually be sought.

Vehicles

For company cars and vans, the tax liability is determined by the “construction” of the vehicle under Income Tax (Earnings And Pensions) Act 2003 s115.

In a subsequent case, it was held that a **Land Rover** Discovery 4 remained a car (and thus a taxable benefit in kind to the technician who used

it) even though the employer had adapted it so that it could no longer be used as a car (*Timothy Jones. TC 1958 [2012]*).

Law

Process by which the meaning of a written document is ascertained.

construction contract

For accounting standards, "a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology or their ultimate purpose or use" (FRS 102 glossary).

For International Accounting Standards, the same definition appears in IAS 11 para 3.

construction credit

Treasury guarantee of payment in relation to the commercial construction of a ship or mobile offshore installation, under Industry Act 1972 s10.

construction grant

Treasury grant to assist in construction of a ship or mobile offshore installation, under Industry Act 1972 s11.

Construction Industry Scheme (CIS)

System of collecting provisional amounts of income tax from self-employed subcontractors in the building trade.

The general principle is that the contractor must deduct an amount of income tax and pay it to HMRC unless the subcontractor can produce a gross payment certificate.

constructive

In law, when a right, liability or status is created without reference to the intention of the parties.

constructive discharge

American term for **constructive dismissal**.

constructive dismissal

When an employee resigns because it is unreasonable to continue working. This is treated as a **dismissal**. This provision prevents an employer avoiding a claim for wrongful dismissal or unfair dismissal by not dismissing the employee but just making life so unpleasant that the employee is forced to resign. Constructive dismissal is treated as dismissal and not resignation.

constructive dissolution

Law in some countries (but not the UK) where a company is regarded as dissolved if some eventuality happens, usually that the company becomes non-resident.

constructive fraud

Instance where equity allows relief from an act or contract.

constructive malice

Old legal doctrine that allowed for a charge of murder if someone was killed in the course of a crime such as robbery, even though there had been no intention to kill or injure anyone. The doctrine was abolished by Homicide Act 1957 s1,

constructive notice	When someone is made aware of a matter which legally requires them to investigate.
constructive obligation	<p>In accounting, one of the two types of obligation that creates a liability. The other is a legal obligation.</p> <p>“An obligation that derives from an entity’s actions where:</p> <ul style="list-style-type: none">(a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and(b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities” (FRS 102 glossary). <p>A constructive obligation requires two conditions:</p> <ul style="list-style-type: none">• the entity has indicated in some sufficient manner that it accepts certain responsibilities, and• as a result, other parties have a reasonable expectation that the entity will discharge those responsibilities. <p>The matter is explained in FRS 102 section 2.20 and IAS 37 para 10.</p>
constructive ownership	Principle followed in some countries’ laws which regard property as belonging to an individual when held indirectly, such as through a trust or as a shareholder of a small company.
constructive removal	<p>Early payment of excise duty so that goods move from being duty suspended to duty paid.</p> <p>This is sometimes used by brewers for commercial reasons. It is explained in various Customs leaflets, such as 226 for beer.</p>
constructive trust	Trust created by a court as a means of ensuring equity.
construct validity	Extent to which a test or other method of assessment measures a particular trait.
consuetudo est altera lex	Latin: a custom has the force of law.
consuetudo est optimus interpret legum	Latin: custom is the best interpreter of the laws.
consul	<p>“Means a person recognised by Her Majesty as being a consul-general, consul, vice-consul or consular agent” (Income Tax (Earnings And Pensions) Act 2003 s300).</p> <p>Foreign consuls in the UK are exempt from UK income tax.</p>
consular employee	<p>“Includes any person employed for the purposes of the official business of a consular officer at —</p> <ul style="list-style-type: none">(a) any consulate,(b) any consular establishment, or(c) any other premises used for those purposes” <p>(Income Tax (Earnings And Pensions) Act 2003 s302(4)).</p> <p>A foreign pension paid to such an employee may be free of income tax</p>

under Income Tax (Earnings And Pensions) Act 2003 s646A.

consular officer "Has the meaning assigned by Article 1 of the Vienna Convention set out in Schedule 1 to the Consular Relations Act 1968" (Interpretation Act 1978 Sch 1).

consultant Independent person who provides analysis and advice to an organisation.

consultation (1) Process by which a person seeks the views of others without agreeing to be bound by them. HMRC and HM Treasury published their policy in the document *Tax Consultation Framework* in March 2011.
(2) In law, a conference with two or more counsel.

Consultative Committee of Accountancy Bodies (CCAB)

Body established in 1974 to co-ordinate matters of common interest between the main **accounting bodies**.

consulting actuary Independent actuary who advises large pension funds.

consumable goods (1) Goods which are used in the daily activities of a person or business, such as food, detergent and paper.
(2) Another name for **consumer goods**.

consumables Overhead expense of goods that are consumed through use, such as stationery, light bulbs and cleaning materials.

consumer A person who makes a transaction other than in the course of business. See **dealing as consumer**.

Consumers have additional rights in contract to those enjoyed by businesses. These relate to **cooling-off periods, unfair contract terms** and **unsatisfactory goods**.

"A person who purchases, uses or receives, in Great Britain, goods or services which are supplied in the course of a business by the person supplying them, or a person who uses or receives relevant postal services in Northern Ireland" (Consumers, Estate Agents and Redress Act 2007 s3(2)).
"Consumer includes both an existing consumer and a future consumer (ibid s3(3)).

For the purposes of consumer protection, the term means "an individual acting for purposes that are wholly or mainly outside that individual's trade, business, craft or profession" (Consumer Rights Act 2015 s2(3)).

Consumer Advisory Council American body which represents consumer interests in a similar manner to the UK's **Consumers' Association**.

consumer capitalism Political term widely used in the early 1980s to encourage ordinary individuals to buy shares and property.

consumer confidence Measure of optimism about the future of the economy, or an element of it.
Typically such measures are expressed as an index, measured by asking

representative consumers to express their views in the form of a number.

consumer control In economics, a description of an organisation run for the convenience of its users, as against **producer control** which is run for the convenience of itself.

Consumer Council for Postal Services

Body established to oversee postal services, and commonly known as Postwatch. It is abolished by Consumers, Estate Agents and Redress Act 2007 s30 and replaced by the **National Consumer Council**.

Consumer Council for Water Body corporate established by Water Industry Act 1991 s27A as inserted by Water Act 2003 s35.

consumer credit Financial facilities provided by banks, finance companies, retailers and others to enable **consumers** to buy goods which they may not be able to afford to buy directly.

Such arrangements are strictly regulated by Consumer Credit Act 1974.

Consumer Credit Act 1974 Major piece of consumer legislation which radically changed the provision of credit facilities to consumers. It does not apply to business loans, nor to overdrafts.

The main new provisions of the Act are:

- requirement that all credit agreements must be in writing;
- requirement that the interest rate must be clearly stated, and calculated as the **APR**;
- a cooling-off period during which the borrower may change his mind without penalty; and
- making the lender liable for any failure to provide the goods for which the credit was obtained.

Consumer Credit Appeals Tribunal

Tribunal established under Consumer Credit Act 1974 s40A to hear appeals against consumer credit agreements.

consumer credit business "Any business carried on by a person so far as it comprises or relates to:
(a) the provision of credit by him, or
(b) otherwise his being a creditor,
under regulated consumer credit agreements" (Consumer Credit Act 1974 s189(1)).

Consumer Credit Protection Act 1969

American law, whose functions are broadly similar to the UK's Consumer Credit Act 1974.

consumer-credit register Register kept by the Director-General of Fair Trading under Consumer Credit Act 1974. It lists all those who are licensed to carry on a consumer credit business.

consumer durables In economics, goods of relatively high value, acquired by households which are expected to last for more than one year, excluding property.

Examples include cars, computers and domestic appliances.

consumer goods	Goods bought by individuals for their personal use and not for business use. Examples include food and clothing.
consumer hire business	“Any business carried on by a person so far as it comprises or relates to: (a) the bailment or (in Scotland) the hiring of goods by him, or (b) otherwise his being an owner, under regulated consumer hire agreements.” (Consumer Credit Act 1974 s189(1)).
consumer instalment loan	American term for hire purchase .
consumer insurance contract	“Means a contract of insurance between — (a) an individual who enters into the contract wholly or mainly for purposes unrelated to the individual's trade, business or profession, and (b) a person who carried on the business of insurance and who becomes a party to the contract by way of that business (whether or not in accordance with permission for the purposes of the Financial Services and Markets Act 2000)” (Consumer Insurance (Disclosure and Representations) Act 2012 s1).
consumerism	Economic state which is driven by consumer spending . The UK is generally regarded as having finally moved from post-war austerity to consumerism around 1954 when rationing ended.
consumer magazines	Marketing term for a publication aimed at the general public, covering a broad range of topics.
consumer matters	“The interests of consumers and any matter connected with those interests” (Consumers, Estate Agents and Redress Act 2007 s3(5)).
consumer panel	Group of consumers who report on products to provide information to manufacturers and suppliers.
Consumer Panel	Panel established by the Legal Services Board under Legal Services Act 2007 s8 to represent the interests of consumers.
Consumer Prices Index (CPI)	Measure of inflation. For indexation of allowance, the index is defined as “the all items consumer prices index published by the Statistics Board” (Income Tax Act 2007 s57(7) as inserted by Finance Act 2014 s4(3)(b)).
consumer protection	Laws, regulations and activity designed to protect consumers against unscrupulous traders.
consumer redress scheme	For the water industry, this term has a specific meaning under Water Act 2014 s54.

consumer research	Marketing term for studies into why customers are likely or not likely to buy a particular product.
consumers	Persons who use services or have rights or interests in them (Legal Services Act 2007 s207(1)).
Consumers' Association (CA)	Charitable organisation established in 1957 to champion the causes of the consumer. This includes testing products and services, and publishing the result in the magazine <i>Which?</i>
consumer spending	Spending by individuals in their capacity as against spending by businesses.
consummate	As an adjective, the term means the best, not just someone who is good.
consummation	<p>In marriage, sexual relations between the parties.</p> <p>A marriage without consummation can be annulled, which means that it is legally regarded as never having existed.</p> <p>There is no duty of consummation in a civil partnership or same-sex marriage.</p>
consumption	Spending money or otherwise using up the value of a current asset.
consumption of stores	"In relation to goods treated as stores by virtue of subsection (4) above, any reference in customs and excise Acts to the consumption of stores shall be construed as referring to the sale of the goods as mentioned in paragraph (a) of that subsection" (Customs and Excise Management Act 1979 s1(4B)).
consumption tax	<p>Tax charged on the use of an item. Such taxes are usually levied to reduce demand.</p> <p>VAT is a consumption tax.</p>
contact bridge	<p>This card game is not a sport.</p> <p>This was decided by the Court of Justice of the European Union in the case <i>The English Bridge Union</i>. CJEU [2017] Case C-90/16. As a consequence entrance fees to tournaments cannot be zero-rated under Value Added Tax Act 1994 Sch 9 Group 10.</p>
Contact Committee	Advisory body established by the European Union to oversee the application of European accounting directives and to make recommendations about such directives.
contact details	<p>List of how a person may be contacted.</p> <p>The details may include name and postal address, telephone numbers, mobile phone number, fax number and e-mail address.</p>
contact order	In Scots law, "a formal order of the court allowing one person to see a child for residential or non-residential access. Formely called access." (Judiciary of Scotland website glossary).

- contained in** These words appear in Taxes Management Act 1970 s9A(4). This gives HMRC power to enquire into “anything contained in, or required to be contained in, the return”.
- The meaning of the words was considered in the case *HMRC v Cotter*. *EWCA Civ 81 [2012]* when the Court of Appeal held that the words “contained in” did not extend to mean “required to be contained in” as that would make the subsequent words redundant, contrary to the canons of statutory interpretation.
- In that case, the consequence was that HMRC was found to be wrong to have used the procedure in Taxes Management Act 1970 Sch1A, which required the taxpayer to appeal to a court, when the matter should have been determined by a First Tier Tribunal under s9A.
- container** For Customs purposes, this “includes any bundle or package and any box, cask or other receptacle whatsoever” (Customs and Excise Management Act 1979 s1(1)).
- contaminated land** The special tax reliefs for remediating such land are given in Corporation Tax Act 2009 from s1143.
- contaminated state** In relation to contaminated land, the provisions are set out in Corporation Tax Act 2009 s1145.
- contango** Charge made by **stockbroker** for carrying over a **position** from one **account** to another without paying for or delivering the stock. These are often arranged on **contango day**.
- contango day** In trading in shares and other securities, the last dealing day of an **account**, when customers may arrange a **contango** rather than pay for purchases or deliver stock for sale.
- contemnor** Person who has been found guilty of **contempt of court**.
- contemplative religious communities**
- Monks, nuns and others who belong to such orders are subject to the usual rules of taxation. If the members transfer all their assets and income to the community, the tax liability is transferred to the community which is subject to corporation tax on any profit.
- The tax treatment is set out in Income Tax (Earnings And Pensions) Act 2003 s508A as inserted by SI 2010 No 157 with effect from 1 April 2010. Previously these arrangements were made by extra-statutory concession. They are generally exempt from corporation tax under Income and Corporation Taxes Act 1988 s508A.
- contemporanea exposito est optima et fortissima in lege**
- Latin: the best way to construe a document is to read it as it would have read when made.
- contemporary forgery** Counterfeit coin produced while genuine coin is in use.

contemptible	Deserving contempt. The word should be distinguished from “contemptuous” which means to bestow contempt.
contempt of court	Failure to comply with an order of the court, or conduct that resists or insults the authority of the court. It also covers publishing material that will prejudice a fair trial.
contentious business	In probate, proceedings where the will is disputed.
Contentious Issues Panel	<p>Panel of HMRC staff that “decide the departmental strategy for handling major contentious issues. This ensures that cases are handled in a co-ordinated and consistent manner across HMRC” (HMRC Notice of 20 December 2013).</p> <p>There are separate panels for business tax and personal tax.</p>
contents insurance	<p>Insurance for furniture and other items within a residence, as against the residence itself. In practice, contents insurance is usually contained in the same policy as the buildings insurance.</p> <p>The policy will detail what items are covered, sometimes with specific cover for any particularly valuable items. There is often an excess to avoid small claims.</p>
content validity	In human resources, the degree to which a test or other assessment method measures the skills, ability and knowledge for a particular job or function.
contestability clause	Clause in a life insurance contract that allows the insurance company to investigate the death of the policy holder. Typically it allows the insurer to use autopsy and medical reports, interview family and friends, and to see if the death was suicide .
contested takeover	When a company attempts to take over another company which resists such attempts. It is also known as a hostile bid .
continental	<p>(1) Pertaining to a continent, particularly mainland Europe.</p> <p>(2) Worthless paper money, such as that issued by the American Continental Congress during the War of Independence, and which was declared worthless in 1780.</p>
continental depositary receipts (CDRs)	Bearer document which allows trading in certain British, American and Japanese shares to take place on certain European exchanges.
Continental Shelf	<p>Sea area extending beyond UK territorial waters sub-divided and allocated to a number of Countries including certain European Union (EU) Member States. Areas designated to the UK are called the UK Continental Shelf. It is regulated by Continental Shelf Act 1964, as amended.</p> <p>National insurance provisions are given in Social Security Contributions and Benefits Act 1992 s120.</p>

contingency	<p>Uncertain sum, or a sum of money put aside to pay a contingent liability.</p> <p>The term is used in financial accounting to refer to an asset or liability (usually the latter) whose existence is known but where the amount is not. Examples include the outcome of a legal action, an insurance claim, a claim against the business and damage of unknown scale. The accounting requirement is to state the contingency at the worst basis which could reasonably happen and to disclose details in the notes to the accounts.</p> <p>The terms contingent asset and contingent liability are no longer used in financial accounting.</p>
contingency fund	<p>Sum put aside to meet a contingent liability.</p>
contingency order	<p>In investment, an order to execute a transaction in one security based on the price of another, such as buying an option according to the price of the underlying share value.</p>
contingency planning	<p>Planning which certain statutory bodies must make to deal with an emergency (Civil Contingencies Act 2004 s2).</p> <p>The term also means steps an organisation takes to protect itself against adverse conditions of any kind.</p>
contingency principle	<p>For stamp duty, the rule that if the consideration cannot be ascertained at the time of stamping, the maximum figure should be used (Stamp Act 1891 s56).</p>
contingency test	<p>In statistics, a test to see if two variables are related.</p>
contingency theory	<p>An explanation that methods of management accounting have developed in various ways depending on the judgments or decisions required.</p>
contingent	<p>Depending on the happening of a future event.</p>
contingent agreement	<p>In finance, an arrangement for the acquisition of a business or significant shareholding in it for an initial fee, plus a further fee if an agreed target is met by a specified date.</p>
contingent annuity	<p>Annuity whose payment depends on a contingency, such as a person being alive.</p>
contingent asset	<p>Asset whose existence is known but where a value cannot be quantified.</p> <p>“A possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity” (FRS 102 glossary).</p> <p>For International Accounting Standards, the same definition appears in IAS 37 para 10.</p>
contingent assurance	<p>Life assurance where payment depends on at least one other factor than death. An example is a policy that pays only if a spouse has already died.</p>

contingent consideration	<p>“Usually, an obligation of the acquirer to transfer additional assets or equity interests to the former owners of an acquiree as part of the exchange for control of the acquiree if specified future events occur or conditions are met. However, contingent consideration also may give the acquirer the right to the return of previously transferred consideration if specified conditions are met” (IFRS 3.A)</p>
contingent discount	<p>A discount granted by a seller to a buyer subject to the buyer satisfying certain conditions. For example, a discount might be dependent on the buyer making a certain minimum level of purchases within a stated period.</p> <p>VAT notice 700 states that VAT is charged on the price actually paid by the customer without reflecting the discount. If the contingent discount is earned (such as by making further purchases), a credit note may be issued with VAT for the discount.</p>
contingent expenses	<p>Expenses which will only be incurred if an uncertain event happens.</p>
contingent gain	<p>Gain which will only accrue if an uncertain event happens.</p>
contingent gift	<p>Bequest to which a beneficiary is entitled only if a contingency happens. A common example is leaving everything to one's husband or wife, but to your children if the husband or wife predeceases you.</p>
contingent legacy	<p>Legacy that is subject to a condition, such as the beneficiary reaching the age of 21.</p>
contingent liability	<p>Liability whose existence is known but where the amount cannot be quantified.</p> <p>For accounting standards,</p> <p>“(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or</p> <p>(b) a present obligation that arises from past events but is not recognised because:</p> <p>(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or</p> <p>(ii) the amount of the obligation cannot be measured with sufficient reliability” (FRS 102 glossary).</p> <p>“A contingent liability is either a possible but uncertain obligation or a present obligation that is not recognised because it fails to meet one or both of the conditions (b) and (c) in paragraph 2.39” (FRS 102 section 2.40). Condition (b) is that the liability is probable. Condition (c) is that the amount can be measured reliably.</p> <p>The term is also defined in IAS 37 para 10.</p> <p>For capital gains tax, a contingency is ignored in determining the disposal proceeds. If a contingent liability is later enforced, the taxpayer may make a claim for the tax to be adjusted. This must be done within four years (five before 6 April 2010) after 31 January following the end of the tax year in which the disposal was made.</p>

contingent loan	Term used in relation to the taxation of life insurance companies. Details are found in Finance Act 1989 s83ZA.
contingent loss	Loss which will only be suffered if an uncertain event happens.
contingently issuable ordinary shares	“Ordinary shares issuable for little or no cash or other consideration upon the satisfaction of specified conditions on a contingent share agreement” (IAS 33 para 5).
contingent order	Another name for a contingency order .
contingent policy	Insurance policy which only pays if an uncertain event happens, such as one person dying before another.
contingent remainder	Provision relating to a transfer of property which may never happen, such as a property passing on the death of A to B provided he is under 21. Under Law of Property Act 1925 Sch 1, these are now equitable interests.
contingent rent	<p>For accounting standards, “that portion of the lease payments that is not fixed in amount but is based on the future amount of a factor that changes other than with the passage of time (eg percentage of future sales, amount of future use, future price indices, future market rates of interest)” (FRS 102 glossary).</p> <p>For International Accounting Standards, an identical definition is given in IAS 17 para 4.</p>
contingent share agreement	“An agreement to issue shares that is dependent on the satisfaction of specified conditions” (IAS 33 para 5).
contingent work	Provision in a building contract which allows building work to be charged if certain conditions are encountered.
contingent worker	American term for a worker who does not have a long-term contract of employment. This includes temporary workers and independent contractors.
continual	Refers to something that happens repeatedly, as against continuous which means continuing in time. Tax returns are continual, interest on late tax accrues continuously.
continuation	In financial trading, an arrangement when the parties to an uncompleted bargain may agree to carry it over to the next account day.
continuation day	Old term for first day of a Stock Exchange account.
continuation option	Allows employees to continue their group insurance coverage under certain conditions after their employment has terminated (much less common today).
continuation sheet	<p>A second or subsequent sheet of a document.</p> <p>It is good practice to number the pages, possibly with a reference typed</p>

at the top of each continuation sheet. A continuation sheet should normally start with a new sentence, even if this means leaving a gap at the end of the previous sheet.

continued application of employee's code

Common arrangement whereby HMRC allows an employee's tax code for one year to be continued into the next tax year, often with an automatic adjustment to reflect any change in the personal allowance announced in the Budget. The provisions are given in PAYE regulations SI 2003 No 2682 reg 16.

continued diet

In Scots law, "a hearing in a case which has been continued from an earlier date" (Judiciary of Scotland website glossary).

continuing commitments

Regular outgoings by someone claiming a **budgeting loan** from the **Social Fund**.

continuing operations

Term used in a profit and loss account where the trading figures have separated those which derive from discontinued operations. This means that acquired businesses are included but disposed of businesses are excluded (though shown separately). The reason for this separation is because continuing operations show users of accounts where future profits will be earned.

continuing professional development (CPD)

A formal procedure by which a professional body ensures that its members keep their expertise up to date with current developments. Applies to doctors, lawyers, accountants, financial advisers etc.

continuity of business

In international tax, a rule that a trade must continue for past losses to be offset against current profits. This is the law in the UK.

Continuity of Education Allowance

"An allowance designated as such under a Royal Warrant made under section 33 of the Armed Forces Act 2006" (Income Tax (Earnings And Pensions) Act 2003 s297C(2) as added by Finance Act 2012 s16). Such an allowance may be exempt from income tax.

continuity of ownership

In international tax, including the UK, a rule that a business must have the same owners for a past loss to be offset against current profits.

continuity of powers

"Where an Act confers a power or imposes a duty it is implied, unless the contrary intention appears, that the power may be exercised, or the duty is to be performed, from time to time as occasion requires" (Interpretation Act 1978 s12(1)).

continuous

Description of an item which continues rather than a series of items, which may be **continual**.

continuous application assumption

In relation to the disapplication of tax provisions to disposals under certain

finance leases, this term is defined in Income Tax Act 2007 s614BX(9).

continuous compounding Assumption made in some **compound interest** calculations that interest is being added continuously and not at set intervals.

continuous credit account Another name for a **budget account**.

continuous data In statistics, data whose accuracy depends on the quality of the measuring device, such as ruler markings or scale readings.

continuous disclosure Accounting term used in Canada to mean the duty a company has of disclosing its financial position to its members.

Continuous Improvement (Kaizen)

A requirement that employees are to constantly seek ways of improving the quality of the product or service.

continuous linked settlement (CLS)

Process that allows for simultaneous foreign exchange settlement across the world, thus eliminating counterparty settlement risk.

continuously compounded rate

Where interest rates are regarded as being continuously compounded rather than compounded at frequent intervals, such as annually or monthly.

The formula for calculating the **discount rate** when compounding more frequently than annually is:

$$\text{rate} = [1 + (r/m)]^m$$

where r is the annual rate and m is the number times of compounding in a year. So if compounded monthly, $m = 12$.

If continuously compounding, m approaches infinity. At this point the formula becomes

$$\text{rate} = e^r$$

where e is the number approximately 2.718 which is the basis of natural logarithms. Rates can be calculated by using tables or a financial calculator.

continuously offered intermediate note (COIN)

Form of medium-term **euronote**.

continuously offered longer-term securities (COLTS)

Bonds of various types offered by the **World Bank**.

continuous net settlement Daily settlements on a net basis by a **clearing house**.

continuous supply of goods For VAT, a supply of water, gas, electricity and similar. Such supplies are charged for agreed periods.

For such supplies, the **tax point** is the earlier of when an invoice is issued or payment is made.

continuous supply of services For the supply of services on a continuous basis and receipt of regular payments or payments made from time to time, there is a tax point every

time a VAT invoice is issued or a payment is received, whichever happens first.

continuous voyage

In law, the doctrine that goods which would be contraband if delivered to an enemy port may be regarded as contraband if delivered to a neutral port with the intention of onward supply to an enemy country.

contra

(1) Latin: against.

(2) An entry made to reverse another entry, usually when a mistake was made on the first entry. In **manuscript accounts**, the two entries may be indicated by the contra symbol ¢.

contra account

Account which offsets another account.

Such an account may be used when another business is both a supplier and customer, and they agree to offset debts to each other. Such offsets are effected in the journal with the other side going to the contra account. At the end of the accounting period, the contra account should equal zero.

contraband

Goods which are prohibited by law, particularly when procured illegally.

contraband of war

Goods which neutral countries may not supply to belligerents at war.

contra bonos mores

Latin: against good morals.

contract

Legally enforceable agreement between two or more people.

In English law most types of contract may be made either in writing, verbally or inferred from the conduct of the parties, though there are some contracts (such as for property or insurance) that must be in writing.

In general terms, the elements of a contract are:

- all parties must have **capacity to contract**;
- the parties must agree to the contract voluntarily;
- there must be an intention to create **legal relations** between the parties;
- the contract must be legal, moral and possible;
- each party must provide a **consideration**.

Guidance on the interpretation of clauses has been given by the House of Lords in **Investors Compensation Scheme Ltd v West Bromwich Building Society [1997]**.

contract costing

Method of determining costs of a contract which is expected to run across more than one accounting period.

contracted out mixed benefit scheme (COMBS)

“An arrangement under which members of a pension scheme which meets certain conditions, obtain rights in that scheme in place of their additional state pension entitlement. National insurance contributions for these employees are reduced or, in the case of an APP/APPSP, partly repaid to the scheme” (CA 84 Stakeholders Pension Scheme Manual, published by HMRC).

contracted-out money purchase scheme (COMPS)

Occupational pension scheme where the amount contributed is determined in

advance, and the pension determined according to the size of the fund to which contributions are made.

“A contracted out **occupational pension scheme** where the employer pays the minimum payments which, along with any other contributions from the employer and/or member, provide the member with a pension based on the value of his or her fund at retirement” (CA 84 Stakeholders Pension Scheme Manual, published by HMRC).

Before 6 April 2012, earnings of a member of such a scheme attracted a lower rate of class 1 national insurance.

contracted out rebate

“Employers who operate contracted out pension schemes may pay NICs at a reduced (contracted out) rate. The difference between the full not contracted out rate and the reduced rate is known as the contracted-out rebate” (CA 84 Stakeholders Pension Scheme Manual, published by HMRC).

contracted-out salary related scheme (COSRS)

Occupational pension scheme where the amount of pension to be paid is determined in advance, and the amount contributed is determined according to the amount needed to fund the pension. The employee's contribution is usually defined, so the variable element is usually paid by the employer.

“A contracted out occupational pension scheme which provides members with a pension related to their earnings” (CA 84 Stakeholders Pension Scheme Manual, published by HMRC).

Earnings of a member of such a scheme attract a lower rate of national insurance.

contract for difference (CFD)

A contract to pay a sum for the amount by which a stated security or index moves, such as paying £1 for each 1 point added to the FT-SE 100 index. A CFD is similar in purpose and form to a **futures contract** except that it has no tangible form.

For corporation tax, a definition is given in Corporation Tax Act 2009 s582.

[The term is sometimes given as contract for *differences*.]

contract for land

Contract that relates to land but is not to buy land (which is a contract of land). It may be to resolve a boundary dispute.

The former need not be in writing, the Court of Appeal ruled in *Rollerteam Ltd v Riley [2017]*.

contract for sale

Contract in which party provides goods and the other party provides the consideration of goods.

contract for service

A contract made by a self-employed person as against a **service contract** which indicates employment.

The different is that a contract for service requires a person to ensure that work is done, but generally does not require the person to do it personally, does not pay according to the hours work, and requires the person to correct any poor work at his own expense.

- contract for the hire of goods** For consumer protection, “a contract is for the hire of goods if under it the trader gives or agrees to give the consumer possession of the goods with the right to use them, subject to the terms of the contract, for a period determined in accordance with the contract” (Consumer Rights Act 2015 s6(1)).
Section 6(2) excludes hire purchase agreements.
- contract for transfer of goods** For consumer protection, “a contract to supply goods is a contract for transfer of goods if under it the trader transfers or agrees to transfer ownership of the goods to the consumer and—
(a) the consumer provides or agrees to provide consideration otherwise than by paying a price, or
(b) the contract is, for any other reason, not a sales contract or a hire-purchase agreement” (Consumer Rights Act 2015 s8).
- contract grade** Quality of a **commodity** as specified in a contract.
- contract guarantee insurance** Insurance policy protecting against the insolvency of a contractor.
- contracting party** Person or business which is one of two or more people making a contract.
- contractionary fiscal policy** Government economic policy which is designed to contract the economy.
- contractionary monetary policy** Government monetary policy which is designed to contract the economy.
- contract month** Specified month to which a futures or options contract refers.
In practice, this is the month when the specified instrument is delivered for cash settlement.
- contract note** Document which shows that shares have been bought or sold but not necessarily yet paid for.
- contract of employment** Written agreement of terms of employment which the employer must provide within two months.
“A contract of employment is an agreement between an employer and employee and is the basis of the employment relationship.” (ACAS website)
- contract of insurance** Legal agreement behind an insurance policy.
- contract of sale** “A contract of sale of goods is a contract by which the seller transfers or agrees to transfer the property in the goods to the buyer for a money consideration, called the price”. (Sale of Goods Act 1979 s2(1)).
- contract of service** Legal agreement between an employer and employee. A distinction must be made between such a contract and a **contract for services**, where the latter indicates that the person is self-employed.
For social security, the term specifically includes a contract of apprenticeship (Social Security Contributions and Benefits Act 1992 s122(1)).

contract profit rate (CPR)	Figure used to calculate price in defence contracts (Defence Reform Act 2014 s15(4)). Its calculation is set out in s17.
contract size	Minimum amount of a commodity or financial instrument which can be traded in a futures or options market. It is sometimes known as a lot size.
contract to supply digital content	For consumer contracts, the provisions are set out in Consumer Rights Act 2015 from s33.
contract of insurance	For tax purposes, this is defined in Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.
contractor	Someone other than an employee who you engage directly to work for you. Most contractors are self-employed.
Contractor Loan Settlement Opportunity (CLSO)	Scheme where an employer who used the contractor loan scheme could settle the tax liability under preferential terms.
contractor loan scheme	<p>“Tax avoidance arrangement where non-UK employers have paid you untaxed income or given you a loan instead of part of your salary” (HMRC press release 18 December 2014).</p> <p>Generally such an arrangement is unlikely to be effective in avoiding tax. A Contractor Loan Scheme Opportunity (CLSO) was introduced to allow those who had used such a scheme to settle their tax liabilities. The deadline for the scheme was originally 9 January 2015, later extended to 30 June 2015.</p> <p>Such a scheme may come within the scope of a tax charge from April 2019.</p>
contract settlement	“Means an agreement made in connection with any person’s liability to make a payment to the Commissioners under or by virtue of an enactment” (Finance (No 2) Act 2015 Sch 8 para 23(1)).
contractor's ring fence profits	In relation to corporation tax on oil contractor activities, "in relation to an accounting period, means the contractor's income arising from oil contractor activities for that period" (Corporation Tax Act 2010 s356LD).
contract to supply goods	For the purposes of consumer protection, this term is defined in Consumer Rights Act 2015 s3.
contractual	Description of a legal provision found in a contract.
contractual disclosure facility (CDF)	<p>Scheme introduced in 2011 as an alternative to the COP 9 procedure. These replace the Hansard procedure.</p> <p>Under CDF, a taxpayer suspected of fraud will escape criminal charges (such as imprisonment) if they co-operate with HMRC and any accept civil penalties. Such penalties are likely to be lower.</p> <p>Details were set out in a revised form of COP 9 issued on 19 January</p>

2012.

The main steps in CDF are:

- HMRC suspects tax fraud
- the taxpayer is invited to settle under CDF. If the taxpayer declines, HMRC may continue with a criminal investigation
- the taxpayer has 60 days in which to decide whether to use CDF
- provided the taxpayer co-operates honestly, HMRC undertakes not to institute any criminal proceedings
- within 60 days, the taxpayer must provide an **outline disclosure** of all tax frauds
- this is followed by a **formal disclosure** which quantifies the amount of tax owed, with the interest and penalties.

CDF is not appropriate for mistakes, careless errors or avoidance schemes.

CDF may be used when a taxpayer is accused of fraud which he or she denies. They may sign a **CDF denial letter** within the same 60-day time limit.

If someone agrees CDF and is found still to have concealed tax fraud, a criminal investigation may be started.

contractual holiday

The amount of holiday leave to which an employee is entitled under the contract of employment.

From November 1999, the Working Time Directive requires this to be at least four working weeks plus eight working days. For someone working a five-day week, the minimum is 28 days.

contractual liability

Duty owed by one **contracting party** to the other.

contractual obligation

An existing obligation that arises under a contract already made.

When a new tax provision is introduced, it may contain an exemption for a contractual obligation that existed before the date the new provision takes effect.

contractual pay

Pay and benefits a person is entitled to receive from their employer.

contractual payment

In relation to allowability of redundancy pay, "means a payment which, under an agreement, an employer is liable to make to an employee on the termination of the employer's contract of employment..." (Income Tax (Trading and Other Income) Act 2005 s76(3) and Corporation Tax Act 2009 1239(3)).

contractual remuneration

Amount an employee is entitled to receive under the contract of employment rather than from operation of law (such as guarantee payment or statutory sick pay) (Employment Rights Act 1996 s32).

contractual Sunday hours

The amount of work an employee in a shop or betting office is required to work on a Sunday.

An employee may serve a notice on the employer refusing to work on a Sunday. The employee's pay is then reduced by only the pro rata figure representing the fewer hours worked (Employment Rights Act 1996 s39).

contract work	Work done according to a written agreement, as against work for any other reason, such as statutory duty or necessity.
contracyclical	Against the current cycle.
contra entry	Entry made in the accounts to reduce the balance in an account to zero.
contra formam collationis	Latin: against the form of a gift.
contra formam statuti	Latin: against the form of the statute.
contrahent	Entering into a contract; a contracting party.
contra jus gentium	Latin: against the law of nations.
contra mundum	Latin: against the world.
contraplex	Having messages flowing both ways simultaneously.
contra prefentem rule	In law, principle that an ambiguity in any rule must be resolved against the person who seeks to rely on it.
contrarian	Someone who goes in the opposite direction to everyone else, such as investor who is buying shares when others are selling them.
contrarian investing	Following an investment strategy which is the opposite of most other people's.
contrary	Contradicting of another statement. Care should be made in distinguishing this word from converse and opposite . The converse is when the parties are reversed, and the opposite is where the main verb or sentiment is re-expressed as the opposite extreme. Consider the statement "I love you". The contrary is: I do not love you The converse is: You love me. The opposite is: I hate you.
contra-trading	Form of carousel fraud that involves a clean chain and a dirty chain . It is part of the missing trader fraud . The dirty chain seeks to recover VAT input tax fraudulently by offsetting it against output tax from the clean chain of honest transactions. As this does not trigger a repayment claim, it is less likely to arouse the suspicions of HMRC.
contravention	For hydrocarbon oil duty, "includes a failure to comply" (Hydrocarbon Oil Duties (Marine Voyages Reliefs) Regulations SI 1996 No 2536 reg 2).
contribution	(1) Payment towards an expense. (2) Payment of national insurance . (3) In management accounting , the difference between the sale price and

direct cost. The difference is said to be the contribution to meeting the **fixed costs**. The method is explained in **breakeven point**.

contribution attributable to dwellings

Term defined for stamp duty land tax in Finance Act Sch 22 para 4(2).

The word "attributable" means "attributable on a just and reasonable basis" (ibid para 4(6)).

contribution conditions

Rules governing what classes of national insurance entitle a person to contributory social security benefits. They are set out in Social Security Contributions and Benefits Act 1992 s21.

contribution income statement

Income statement where fixed costs are shown as deductions from total contributions. Such a statement is sometimes used in management accounting.

contribution margin

Amount which an individual product or service contributes to the overall profitability of a business. This may be expressed as an amount or as a percentage.

contribution notice

Notice which the **Pensions Regulator** may send under Pensions Act 2004 s38 to the trustees of a final salary (or defined benefit) pension scheme where there is evidence of an attempt to prevent recovery of a debt from the employer. This is also known as a section 38 notice.

contribution of capital

Money provided to a business to provide additional capital to run the business.

contributions legislation

In relation to national insurance for IR35 companies, "means any Part of this Act or provision of such a Part" (Social Security Contributions and Benefits Act 1992 s4B(13)).

contribution to the firm

Amount which a **limited partner** or **non-active partner** has contributed to the partnership plus his share of retained profits (Income Tax Act 2007 s105; Corporation Tax Act 2010 s57). This figure is used in determining such a partner's maximum tax loss relief from the partnership.

contribution to the LLP

Contribution made by a company to a limited liability partnership. Corporation Tax Act 2010 s60 explains the tax implications.

Contributions Agency

Body that administered national insurance (except class 4) between April 1991 and 1999. It was split from the Department of Social Security.

In 1999, it was renamed the National Insurance Contributions Office (NICO) and became part of Inland Revenue, which was already administering class 4 national insurance. It is now part of HMRC.

contributions avoidance arrangement

Scheme to avoid paying national insurance.

Such a scheme must be disclosed under Social Security Administration

Act 1992 s132A with effect from 30 March 2006.

contributions committee	A corporate group, particularly in the USA, organized to make grant decisions usually with the guidance of a corporate foundation or contributions administrator. Typical responsibilities include setting and interpreting policy, approving an annual budget, and reviewing grant requests.
contributions return	Information that may be required by HMRC in respect of national insurance contributions (Social Security Contributions and Benefits Act 1992 Sch 1 para 7(1)).
contribution year	For national insurance, a year for which contributions are appropriated even when the national insurance is paid in another (usually later) year.
contributor concerned	For entitlement to contributory social security benefits, "means the person by whom the [contribution] condition is satisfied" (Social Security Contributions and Benefits Act 1992 s21(5)).
contributory	Description of a person which contributes to something, particularly certain classes of national insurance . In finance, the term can mean someone who provides some of the funding.
contributory allowance	Social security benefit to which a person is entitled because they have met the relevant conditions regarding national insurance contributions.
contributory benefit	Social security benefit where entitlement depends on having paid sufficient national insurance.
contributory ESA	Employment support allowance based on the claimant's national insurance record, as against income-related ESA . The payment is subject to income tax (Income Tax (Earnings And Pensions) Act 2003 s660(1)).
contributory negligence	Where "a person suffers damage as the result partly of his own fault and partly of the fault of any other person or persons" (Law Reform (Contributory Negligence) Act 1945 s1(1)).
contributory pension scheme	Occupational pension scheme which is partly funded by employees who are scheme members.
contrived	Term used in connection with General Anti-Abuse Rule (GAAR) but not defined. The word is therefore applied in its normal sense (HMRC GAAR guidance, January 2016, [ara C5.8.2]).
contrived arrangement	One of the hallmarks of a tax planning scheme of which taxpayers are advised to be wary.
contrived employment liability	Ineffective tax avoidance scheme that sought to generate liabilities and losses

for employees to reduce their taxable pay. Such schemes were explicitly outlawed in Finance Act 2009 from 12 January 2009. Further details are given in HMRC Spotlight 4.

control

Accounting

The extent to which one entity may direct another, such as when a parent company controls a subsidiary.

Accounting standards give different definitions, though there is no real difference in meaning.

“The power to govern the financial and operating policies of an entity so as to obtain benefits from its activities” (FRS 102 glossary).

“Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities” (FRS 102 para 9.4).

Subsequent paragraphs define this in terms of a majority of voting rights.

Under previous UK standards, control is “the ability of an undertaking to direct the financial and operating policies of another undertaking with a view to gaining economic benefits from its activities” (FRS 2 para 5). An almost identical definition appears in FRS 5 para 8.

The **Statement of Principles** expresses it a little differently as “the ability to deploy the economic resources involved and the ability to benefit (or to suffer) from their deployment. To have control, an entity must have both these abilities” (Para 2.8).

Company law

Such control usually comes from being able to exercise more than 50% of the voting rights. Before 1 November 1990, company law determined control according to share ownership.

Accounting consequences

Where one company controls another, the latter is usually regarded as the **subsidiary** of the former. This means that consolidated financial statements must be prepared as if the two companies were one (also including any other companies that meet the same conditions). Company law and FRS 2 allow a subsidiary not to be consolidated if there are legal restrictions which prevent that control from being exercised.

Tax: general

For most tax purposes, company A or person A is said to control company B if any one of three conditions are met:

- A owns more than 50% of the ordinary shares of B,
- A controls more than 50% of the voting rights in B, or
- A is entitled to more than 50% of the assets of B in a winding-up.

The term is defined in Corporation Tax Act 2009 s472.

Employment

In employment, the ability of one person to control the activities of another. This is an important factor in determining whether the other is an employee.

control account	Any form of account which keeps a control on the bookkeeping, such as a total account .
control and independence requirement	Conditions which must be satisfied for a subsidiary to come within the scope of such tax-advantaged schemes as Enterprise Investment Scheme (Income Tax Act 2007 s139 and s185) or VCT relief (ibid s296). The term is also used in relation to share loss relief in Corporation Tax Act 2010 s81.
control group	Group of people who are used to compare results on an experimental group in experimental design .
controllable cost	In management accounting, a cost that can be regulated by a manager.
controllable variance	Difference between a budget figure and the actual figure where the difference is within the control of the manager responsible for the budget.
controlled activity	<p><i>Alcoholic liquor</i> Selling liquor, offering liquor for sale, or arranging for its sale (Alcoholic Liquor Duties Act 1979 s88A(8)).</p> <p><i>Employment law</i> Activity where a person can be alone with a child or vulnerable person. Such activity is regulated by Safeguarding Vulnerable Groups Act 2006. If the activity is such that a relationship of trust could develop between the parties, it is called a regulated activity.</p>
controlled company	Company where one person owns at least 50% of the voting rights. (In the USA, the figure is 25%.)
controlled drug	"Any drug which is subject to control under the Misuse of Drugs legislation" (Customs notice 4). This notice sets out the condition for importing such drugs.
controlled foreign company (CFC)	A company that operates overseas but which is controlled by UK residents. There are special tax provisions to prevent such companies being used for tax avoidance. These are set out in Income and Corporation Taxes Act 1988 ss747 to 756. Consideration is being given to amending these provisions.
controlled liquor	Liquor that is subject to duty payable before the time of sale (Alcoholic Liquor Duties Act 1979 s88A as inserted by Finance Act 2015 s54). Wholesalers of controlled liquor have been required to register since 2015.
controlled observation	In psychology, observations of reactions in a specific situation, as against natural observation where the people are in a natural environment.
controlled oil	"Means hydrocarbon oil in respect of which a rebate has been allowed under section 11(1)(b), (ba) or (c) or 13AA or biodiesel or bioblend in respect of

which a rebate has been allowed under section 14A or 14B" (Hydrocarbon Oil Duties Act 1979 s27(1)).

controlled waters

“(a) Tidal water and parts of the sea in or adjacent to Great Britain up to the seaward limits of territorial waters; and
(b) any area designated by order under section 1(7) of the Continental Shelf Act 1964” (Mineral Workings (Offshore Installations) Act 1971 s12).

For the purposes of land remediation, the term is defined in Corporation Tax Act 2009 s1179.

controller

(1) In USA, chief accounting executive of an organisation.

(2) For the purposes of data protection, the term is given a specific meaning in Data Protection Act 2018 s6.

(3) Any person who exercises control over a system, or any device that controls machinery.

controlling equity stake fund

In relation to taxation of derivatives, this has a specific meaning in Income Tax Act 2007 s809FZM(3) as inserted by Finance Act 2016 s37.

controlling interest

Interest in a company which gives its holder **control** of the company. This is usually anything above a 50% holding.

controlling person

Person who controls an organisation.

In 2012, HMRC published a consultation document to the effect that all such persons must be paid on a PAYE payroll. This followed criticisms of the arrangements for **Ed Lester**, appointed to run the Student Loan Company and paid outside the payroll. The proposal was abandoned.

control of an investee

“An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee” (IFRS 10.A)

control order

An order imposed on a person under Prevention of Terrorism Act 2005. Such orders are repealed by Terrorism Prevention and Investigation Measures Act 2011 s1.

control panel

In computing, an icon representing a basic function of the computer that the user can access for certain purposes, such as to change the date or to select a different modem.

control panel

The main **menu** for a piece of software.

control period

Period over which a matter is particularly examined or an idea tested, often in relation to other periods.

In accounting, a control period is usually part of a year for which separate budget figures are produced.

For statutory sick pay, a control period is the maximum number of weeks for which an employee may be expected to be absent. A list of periods is given in HMRC booklet E14.

contubernal	Living together; in a state of companionship.
contumacious	Opposing lawful authority with contempt.
conurbation	Area where two large but separate areas have expanded into each other, such as Bradford and Leeds. There is no such thing as a small conurbation.
convalescence	Period after surgery or an illness while a person regains their normal health. For statutory sick pay, absence for convalescence is allowable. For income tax, expenditure on convalescence, such as in a home, are not tax deductible are discussed in the Inspectors' Manual at BIM37950. A leading case is <i>Murgatroyd v Evans-Jackson</i> [1966] 43TC581.
convection heater	Heater which sits on a floor and convects heat.
convenience goods	Category of household goods which may be suddenly needed. Items include most household consumables such as sugar, light bulbs and rubbish sacks.
convenience yield	Price which users of a commodity are willing to pay to avoid risk of not being able to obtain supplies.
conventional basis of assessment	In international tax, any system whereby profits are assessed according to a principle other than current profits for the tax year. In the UK, the taxation of trades for the previous year is a conventional basis.
convention country	Country which has signed a particular convention affording international co-operation in a defined area of law or administration.
Convention in the Execution of Foreign Arbitral Awards	Convention agreed by the King on 26 September 1927 relating to international arbitration (Arbitration Act 1950 Sch 2).
Convention Marchandises Routiers	Conditions for the international carriage of goods by road.
Convention on International Trade in Endangered Species (CITES)	Regulatory body and its rules which oversees the international movement and trade of endangered species.
Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR)	Convention to protect the Dissostichus species of fish. A Catch document is required to import such fish. Customs clearance cannot be obtained without this document.
Convention on the Physical Protection of Nuclear Material	International convention to which the UK is a signatory. The Office for Civil Nuclear Safety is unlikely to grant a licence for the importation of nuclear material from a non-signatory country. The licence is a

condition for obtaining Customs clearance.

conventional basis	Method of determining taxable income from trading activities, as explained in Income and Corporation Taxes Act 1988 s103.
convergence	Movement of two moving figures towards the same figure. In particular, the term is used to mean when futures prices move towards the spot price in a futures contract.
convergence criteria	<p>The convergence criteria were the five conditions set that countries had to meet if they wanted to take part in full economic and monetary union in the European Union. They were:</p> <ul style="list-style-type: none">• Inflation - no more than 1.5% above the average inflation rate of the lowest 3 inflation countries in the EU• Interest rates - the long-term rate should be no more than 2% above the average of the three countries with the lowest inflation rates• Budget deficit - no more than 3% of GDP• National debt - no more than 60% of GDP• Exchange rates - currency within the normal bands of the ERM with no re-alignments for at least 2 years
converse	With the parties reversed. The converse of "you must pay HMRC" is "HMRC must pay you". It is not the same as the contrary or opposite .
converse fallacy of accident	In logic, a false reasoning from moving from a special case to a general rule. For example, saying (possibly correctly) "every appeal against a tax penalty I have known has been successful" and thus concluding that all appeals will succeed.
conversion	<p>Making something into something else, particularly turning preference shares into ordinary shares or when money is changed from one currency to another.</p> <p>Note that there is conversion only if there has been an actual exchange, such as changing a pile of pounds for dollars. If a value is simply restated in a different currency, the figure is said to be translated.</p>
conversion arbitrage	Simultaneous purchase of a put option and the sale of a call option, creating a transaction free of risk.
conversion costs	Cost of changing one thing to something else. In accounting, the term usually refers to the cost of converting raw material to components or finished products.
conversion decision	In social security, a decision on whether an existing recipient of a means-tested benefit is entitled to employment support allowance . Such decisions are made between 2011 and 2014.
conversion exposure	Risk attached in converting one currency to another.

conversion factor	Constant number that can convert or translate a quantity of one unit into a quantity of another, such as converting feet to metres or translating dollars into pounds.
conversion of funds	Using someone else's funds for a not intended purpose. An example is when a client's account is invested to earn interest for the service provider.
conversion of securities	When a share or other security is converted to another type of security. The capital gains tax implications are given in Taxation of Capital Gains Act 1992 s132.
conversion period	Period when one thing may be converted to another. In finance, the term usually means a period when convertible loan stock (or similar) may be converted to ordinary shares. In financial mathematics, is the interval of time between two successive conversions of interest into principal.
conversion premium	Cost of converting a share at current market price into a convertible security.
conversion price	Rate at which one item may be converted to another, such as the amount of ordinary shares offered for loan stock or the rate of exchange for a foreign currency.
conversion ratio	Expression of how many of one item are to be regarded as the equivalent of another. In finance, the term particularly means the number of units of security for which a convertible security may be exchanged.
conversion terms	Terms that apply when one type of asset is converted to another. The term is particularly used when a form of debt instrument is converted to an ordinary share or preference share.
conversion value	Value of convertible stock, which includes any extra value of the ordinary shares to which it is converted.
convertibility	The extent to which one thing may be converted to another, particularly the extent to which loan stock may be converted to ordinary shares.
convertible	Something which may be converted to another. In finance, the term is sometimes used as a noun to mean either a preferred stock which may be converted to equity, or a government bond which may be converted to another bond without any encashment or further payment.
convertible adjusted-rate preferred stock	A form of elaborate debt capital. It comprises adjusted-rate preferred stock which can be converted to equity capital.
convertible arbitrage	Form of arbitrage using convertible bonds. It requires specialist knowledge and can be risky.

convertible bond	Any type of bond which may be converted to ordinary shares before the bond matures. Such a financial instrument is the equivalent of a straight bond with a warrant.
convertible capital bonds	<p>"Debt instruments on which interest is paid periodically, issued by a special purpose subsidiary incorporated outside the UK. Prior to maturity they may be exchanged for shares of the subsidiary which, at the option of the bondholder, are either immediately redeemed or immediately exchanged for ordinary shares of the parent. The bonds and payments in respect of the shares of the subsidiary are guaranteed by the parent. The parent has the right to issue convertible redeemable preference shares of its own in substitution for the bonds should it wish to do so" (FRS 4 application notes).</p> <p>The notes describe the above as "typical" provisions as it is possible for other provisions to apply.</p> <p>FRS 4 require such bonds to be treated as debt capital.</p>
convertible currency	Currency which may be easily exchanged for another currency . The opposite is blocked currency .
convertible debenture	Debenture, loan stock or similar which may be converted to ordinary shares at a future date.
convertible debt with a premium put option	<p>"Convertible debt with a premium put option contains an option for the holder to demand redemption (either at maturity of the debt or at some earlier date) for an amount that is in excess of the amount originally received for the debt. At the time the debt is issued, it is uncertain whether the debt will be converted before the redemption option may be exercised, and hence whether the premium on redemption will be paid" (FRS 4 application notes).</p> <p>Such an instrument is accounted for on the basis that the holder exercises the redemption option on the earliest possible date.</p>
convertible debt with enhanced interest	<p>A variation on convertible debt with a premium put option. The terms are that the interest will be increased at a future date.</p> <p>This is treated as debt capital assuming that the enhanced rate is paid.</p>
convertible loan	Loan finance for a business that is later converted into share capital .
convertible loan stock	Money lent to a company under a financial instrument which may be converted to ordinary shares at a future date.
convertible revolving credit	Insurance policy which allows its holder to widen the policy terms to become a whole life policy or endowment policy without having to produce any further evidence of good health.
convertibles	Collective term for all forms of financial instrument which are capable of being converted to ordinary shares.

convertible renewable term assurance

Assurance policy that gives the holder the right to extend the life of the assurance period without any further medical examination.

convertible securities

A security that may be converted to an ordinary share.

For **employment-related securities**, the term is defined in Income Tax (Earnings And Pensions) Act 2003 s436.

convertible shares

In relation to corporation tax relief on employee share schemes, "means shares that are —

(a) convertible securities, or

(b) an interest in convertible securities"

(Corporation Tax Act 2009 s1005).

convertible term assurance

Another name for **convertible term insurance**.

convertible term insurance

Term insurance which can be changed into a permanent policy without further evidence of insurability or medical examination.

convertible unsecured loan stock (CULS)

Unsecured debenture which allows the holder to convert the debenture to ordinary shares at a future date.

convexity

In investment, the mathematical relationship between how the life of a bond can change according to its yield.

conveyance

(1) Legal document which transfers ownership of property.

(2) Term sometimes used in law to mean a vehicle.

(3) In relation to land charges, "includes a mortgage, charge, lease, assent, vesting declaration, vesting instrument, release and every other assurance of property, or of an interest in property, by any instrument except a will" (Land Charges Act 1972 s17(1)).

conveyance on sale

Document that gives effect to a conveyance of property.

Such a document is subject to **stamp duty**. Finance Act 1898 s6 includes a document of foreclosure. It is further defined in Finance Act 1900 s10.

conveyance tax

In international tax, any charge for the transfer of ownership of property. In the UK, stamp duty land tax is a conveyance tax.

conveyancer

Person who draws up a **conveyance** document.

conveyancing

The legal process in buying and selling a property.

convince

Means to bring someone to believe, as against **persuade** which means to bring someone to act. You may convince someone that they owe tax and then persuade them to pay it.

COO

(1) Country of Origin.

(2) Chief operating officer.

- cooker** This is listed in Capital Allowances Act 2001 s23 List C as an item that is not affected by the provisions of s21 (buildings) or s22 (structures). This means that its eligibility for capital allowance depends on the nature and purpose of the item.
- cooking test** A test that may determine whether a claimant is entitled to the lower rate of **care component** when claiming **disability living allowance**.
The test is that the person is unable to cook an ordinary meal on a standard cooker on at least some days. A person may be eligible even though they can use a microwave cooker.
A person will demonstrate entitlement under this test if, for example, they are unable to peel and chop vegetables, use a tap, lift hot pans, use cooking utensils, drain vegetables or determine when a meal is properly cooked.
- cook the books** Colloquialism: falsify the accounts.
- cook's discount** Old practice of shops paying commission to an employed cook for the custom she provided on behalf of the household.
- Cool Biz campaign** Campaign launched by the Japanese Ministry of Environment in 2005 to reduce energy consumption. It promoted a relaxation of **dress code** to reduce energy for air conditioning.
- cooling equipment** This is listed in Capital Allowances Act 2001 s23 List C as an item that is not affected by the provisions of s21 (buildings) or s22 (structures). This means that its eligibility for capital allowance depends on the nature and purpose of the item.
- cooling-off period** Period where the law allows someone to change their decision. There are many cooling-off periods in consumer law.
There is a six-month cooling period for the **option to tax** provisions relating to charging VAT on rent.
- Cooper, Yvette** Scottish-born Labour politician (1969-) who was Secretary of State for Work and Pensions from 5 June 2009 to 11 May 2010.
She has held many other government and shadow positions. She is married to **Ed Balls**, who was shadow Chancellor.
- co-operative** Income Tax Act 2007 s401 contains tax provisions for investment in a co-operative. For this purpose it is defined according to Industrial Common Ownership Act 1976 s2.
- co-ordination centre** In international tax, an enterprise whose purpose is to co-ordinate the activities of affiliated enterprises. Typically this involves co-ordinating research and development activities, financing and administration.
- co-ownership authorised contractual scheme** In relation to capital allowance on plant and machinery, "means a co-

ownership scheme which is authorised for the purposes of the Financial Services and Markets Act 2000 by an authorisation order in force under section 261D(1) of that Act" (Finance (No 2) Act 2017 s41).

The same definition appears in Finance (No 2) Act 2017 s42 for offshore funds.

COP	(1) Code of Practice. (2) ISO code for Colombia peso.
COP 9	Inland Revenue and HMRC code of practice on investigation of suspected tax fraud. It was revised in 2005. COP 9 is only used when HMRC is not considering criminal charges.
COP 9 investigation	Tax investigation under COP 9 . A taxpayer may instead be able to use the Contractual Disclosure Facility .
cop	Colloquialism meaning to capture, acquire or obtain. It is particularly used to mean catching a criminal.
coparcener	Joint heir to a property or estate.
copartner	Joint partner.
copper	(1) Metallic element with the atomic symbol Cu. It is used to make coins of low value, currently 1p and 2p. Those made from 1992 are of copper-plated steel; those made between 1860 and 1992 were made of bronze (an alloy of copper and tin); those made before 1860 were copper alone. (2) Coin of low value made from copper, usually given in the plural "coppers". (3) Colloquialism for a policeman.
copper-bottomed	Description of a ship whose bottom is plated in copper to prevent seepage through the wooden beams of its construction. By extension, the term describes a scheme or similar that is protected against failure.
copper-captain	Old term for a person who assumes captaincy without authority.
copper-fasten	Old term meaning to make an agreement legally binding. It originally meant to fasten something using copper bolts.
copper handshake	Term occasionally used for a small farewell present to an employee.
copper-nickel	Another name for cupro-nickel .
copper nose	Term used for posthumous coinage of Henry VIII made from an alloy of silver and copper. Normal wear on the coin eroded the softer silver so that the raised parts, such as the king's nose, appeared in copper.
copperplate	Ornamental form of handwriting, once commonly used in legal and financial documents. The term originally referred to a plate of polished copper

engraved with an image for printing.

Coppock Indicator

Technical analysis indicator intended to identify cheap buying opportunities for long-term investors. It is named after the American economist Edwin Coppock.

Its formula is:

$Coppock = WMA[10] \text{ of } (ROC[14] + ROC[11])$.

In short, it measures changes in share prices after 11 to 14 months. The principle being that 11 to 14 months is a typical period of mourning, after which optimism returns to the market.

co-producer

For the purposes of corporation tax relief on film production, this term is defined in Corporation Tax Act 2009 s1186 and s1216A1.

copy

(1) For VAT, "in relation to a document, means anything onto which information recorded in the document has been copied, by whatever means and whether directly or indirectly" (Value Added Tax 1994 s96(1)).

(2) For coins, copy of a coin sold as such for collectors, particularly when an original coin is prohibitively expensive.

copying

HMRC has a power to copy taxpayer's documents under Finance Act 2008 Sch 36 para 15.

copyright

The right to take copies of an original literary, dramatic, artistic or musical work. Copyright generally lasts to the end of the 70th year after the creator's death. The composer Benjamin Britten died on 4 December 1976, so his works remain in copyright until 31 December 2046 (unless the law changes before then).

Customs may seize goods that appear to breach copyright law, such as pirated copies of films or music albums.

A definition appears in Income Tax Act 2007 s907(2).

COR

Customer organisation representative.

cor

Abbreviation of **coram**, Latin for "in the presence of".

coram

Latin: in the presence of.

Corbet farthing

Farthing minted by Andrew Corbet under a patent granted in 1693.

coram domino rege

Latin: before our lord the king.

coram iudice

Latin: in the presence of the judge.

coram non iudice

Latin: in the presence of one who is not a judge.

Corbyn, Jeremy

English politician (1949-) who became leader of the Labour party on 12 September 2015.

Corby Urban Regeneration Company Ltd

Body designated as an urban regeneration company under Income and Corporation Taxes Act 1988 s79B (Urban Regeneration Companies (Tax) (Designation) Order SI 2004 No 439 para 2).

core and satellite

Investment strategy that combines a large portfolio of conservative investments, such as blue chip companies, with smaller investments of a more speculative nature.

core business

The main commercial activity of a business as against its peripheral activities.

Core City

For the purposes of **City Deal**, one of the eight largest cities outside London.

These are Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield.

The first city to be included outside England was Cardiff in June 2015.

core competencies

Basic skills and activities of a business.

In human resources, the term is used to mean the skills, knowledge and abilities that an employee must have to perform his or her duties.

core expenditure

For the purposes of corporation tax relief on film production, this term is defined in Corporation Tax Act 2009 s1184.

In relation to relief for television production, this term is defined in Corporation Tax Act 2009 s1216AG.

For video games development, the term is defined in Corporation Tax Act 2009 s1217AD.

core inflation

Measure of **inflation** which excludes increases in volatile items.

In the USA, this usually excludes oil. Sometimes the term also excludes food.

core section

In tax, part of a form that applies to all taxpayers. For example, self-assessment form SA100 has a core section to be completed by all taxpayers. This section is supplemented by specific pages for different types of income and for particular circumstances.

core work activities

Tasks considered essential to the operation of an organisation.

core worker

Worker who is considered essential to the successful operation of an organisation.

cornage

Historic feudal due calculated according to a person's cattle ownership.

corner a market

Acquire enough of a security or commodity to be able to manipulate its price.

Cornish pastie

For VAT, an issue arises whether their supply is zero-rated as food or standard-rated as hot takeaway food.

In the case *Lutron Ltd [1988] VTD 3686*, it was held that it was a supply of food when the only reason the pasties were sold hot was to demonstrate that they were freshly cooked. The company did not re-heat or keep warm

pasties.

Corn Laws

Series of enactments from 1360 designed to regulate the import and export of grain. A particularly important law was passed in 1815 which banned import of corn until its price reached 80 shillings per quarter. This kept the price of bread high, and led to an uprising. It also led to political controversy between protectionism and free trade.

The provisions were softened by laws in 1828 and 1842. A vigorous Anti-Corn Law League was formed in 1839. From 1846 to 1869, the corn law existed as a nominal duty of one shilling per quarter.

corn tax

Excise duty levied from the Tudor period to 1846, as part of the **Corn Laws**.

Corn imports were controlled to protect British suppliers, mainly by import duties.

Adam Smith's *The Wealth of Nations* (1776) first suggested their abolition as a move to free trade. Soon an Anti Corn Law League was formed to campaign against a tax which raised the price of bread, the staple diet of the poor.

The Irish potato famine, which led to huge imports of corn, finally prompted its repeal. It was replaced by the second re-introduction of **income tax** in 1842.

corona

For VAT, **gold investment coin** issued by Austria and listed in VAT notice 701/12A.

corp

Abbreviation: **corporation**.

corporate

(1) Description of any collective activity however constituted.
(2) Common term for any event organised by a business, including staff training or marketing.

corporate actions

Actions that a company can undertake which affect the number of its shares in issue. Examples include bonus issues, equity issues, takeovers and mergers, share splits, share consolidations, buybacks and rights issues.

corporate assets

"Assets other than goodwill that contribute to the future cash flows of both the cash generating unit under review and other cash generating units" (IAS 36 para 6).

corporate bond

Debt instrument issued by a company.

Companies issue bonds to raise money and pay interest on the bonds. Usually bonds expire on a fixed date, when the company repays the borrower. Such bonds can be bought and sold easily (like shares).

Bond prices tend to change when interest rates change and are usually not as risky as shares because a company will pay off all its debts (including bonds) before the shareholders get anything.

corporate citizenship

American term for the contribution a business entity makes to society generally.

This includes its environmental policy, support for local and charitable

	activities and how it engages with other bodies.
corporate culture	Beliefs, values and practices adopted by an organisation and that have an influence on employee behaviour.
corporate finance	Department in a bank that deals with financial risk management.
corporate foundation	<p>American term for a body that receives its income from a profit-making company but is a legally independent entity.</p> <p>Usually this type of foundation carries the name of the parent company. Corporations may fund these foundations with a donation of permanent assets or with periodic contributions. (Also called a company-sponsored foundation.)</p>
corporate giving programme	<p>In the USA, funding that is distributed directly by a company, rather than through a foundation.</p> <p>Such a program is often handled by the company's Public Affairs or Public Relations office.</p>
corporate governance code	<p>Code of conduct for companies issued by the Financial Reporting Council.</p> <p>The latest code was issued in July 2018, effective for accounting periods starting on or after 1 January 2019.</p>
corporate haven	<p>Territory where it is advantageous to establish a company or corporation because of generally favourable climate of minimal regulation and compliance, and low taxation.</p> <p>The British government has striven to make the UK a corporate haven. In the USA, the states of Delaware and Nevada are seen as corporate havens.</p>
corporate homicide	Corporate manslaughter in Scotland (Corporate Manslaughter and Corporate Homicide Act 2007 s1(5)(b)).
corporate image	How an organisation is viewed by others.
corporate income tax	In international tax, tax on the income of a company or corporation. In the UK, this is corporation tax .
corporate loan	Loan issued by a company or corporation.
corporate manslaughter	Criminal offence that may be committed by a company or other corporate body where a death has resulted from the company's "gross breach of a relevant duty of care". The law is Corporate Manslaughter and Corporate Homicide Act 2007.
corporate migration	Change of residence of a company.
corporate partner	<p>Company or other corporate body that is a partner.</p> <p>For corporation tax and banks, the provisions are given in Corporation Tax Act 2009 s133M as inserted by Finance (No 2) Act 2015 s18.</p>

corporate raider	Person or company that buys a stake in a company before making a hostile bid to take it over.
corporate rescue exception	Provision in Finance Act 2010 s44 and Sch 15 that disapplies the tax treatment for impaired debt between connected parties for arms' length transactions. Similar provisions are given for deemed debt releases on impaired debts becoming held by a connected company (Corporation Tax Act 2009 s361).
corporate sponsorship packages	When a company agrees to sponsor a sports club or other non-profit-making body as a means of marketing itself or of improving its reputation. The extent to which such expenditure is tax-deductible is discussed in the Inspectors' Manual at BIM42555.
corporate strategic planning	In management accounting, a plan that involves the preparation, evaluation and selection of long-term strategies for a business.
corporate values	Prescribed standards of behaviour, principles and other standards that an organisation regards as important.
corporate veil	Protection provided by company law to shareholders. This means that any liability is incurred by the company and not by its shareholders. This protection may be removed in very limited circumstances, such as where the company is a sham or where the management has engaged in fraud. In the UK, removal is referred to as "lifting" the veil, whereas in the USA, the term is "piercing" the veil.
corporate venture	Provision of capital by one company to another.
corporate venturing scheme (CVS)	Scheme whose aim is to encourage established companies to buy shares in new companies in the same trade under the Enterprise Investment Scheme or other tax-advantaged scheme.
corporate warrant	Warrant issued by a company or investment trust which is exercisable into its own shares.
corporation	(1) Company registered in the USA. (2) Large company in the UK. "In the Companies Acts — "body corporate" and "corporation" include a body incorporated outside the United Kingdom, but do not include — (a) a corporation sole, or (b) a partnership that, whether or not a legal person, is not regarded as a body corporate under the law by which it is governed" (Companies Act 2006 s1173(1)).
corporation sole	The legal person represented by the office rather than the office-holder. So "the Bishop of Durham" means whoever is the Bishop at that time.

corporation shopping	Form of treaty shopping , where the taxpayer also considers the treatment for incorporated bodies.
corporation tax	<p>Tax payable by companies on profits (Corporation Tax Act 2009 s2), previously known as adjusted profit. The tax is an annual charge (ibid s8).</p> <p>For HMRC data-gathering powers, corporation tax “includes any amount assessable or chargeable as if it were corporation tax” (Finance Act 2011 Sch 23 para 45(2)).</p> <p>The tax was introduced in 1965 before which companies paid income tax and profits tax.</p> <p>The main Acts are now Corporation Tax Act 2009 and Corporation Tax Act 2010 which consolidate most previous legislation.</p>
Corporation Tax Acts	“Means the enactments relating to the taxation of the income and chargeable gains of companies and of company distributions (including provisions relating to income tax)” (Interpretation Act 1978 Sch 1).
corporation tax advantage	<p>Term used in relation to bank levy, and set out in Finance Act Sch 2 para 9(4).</p> <p>It is also used in relation to the disregard of tax avoidance in determining the corporation tax payable by banks. For this purpose, the term is defined in Corporation Tax Act 2010 s269CK(9).</p>
corporation tax credit	For the purposes of tax penalties, this includes research and development credits, land remediation relief, and the various creative arts credits. The full definition is given in Finance Act 2007 Sch 24 para 28(fa).
corporation tax due date	<p>Date by which corporation tax should be paid. This is generally nine months and one day after the end of the accounting period. Larger companies must make payments in instalments.</p> <p>Before 17 March 1990, companies that had traded from before 6 April 1965 had a due date of nine months after 31 March following the end of the accounting period. This meant that companies could pay their tax up to 21 months after the end of the accounting period. This was abolished from 17 March 1990, subject to a three-year transitional period.</p>
corporation tax receipt	In relation to lease premiums, this term is given a specific meaning in Income Tax (Trading and Other Income) Act 2005 s296(1).
corporation tax relief	Term used in relation to tainted charity donations (Corporation Tax Act 2010 s939F(4)).
corporeal moveables	Scottish term for chattels .
corpus	Term sometimes used to mean the capital of a fund, as against its income.
corpus dilecti	Latin: body of the offence. The facts which comprise a legal offence.
correcting entry	Entry which is designed to correct a mistake previously made in the financial records. It has the same meaning as an adjusting entry , where the

bookkeeping requirements are set out.

correction In investing, a change in a value of a share or security which is seen as bringing the value to what it should have been.

corrective action

Tax conduct

Action needed to correct an irregularity in a tax return or equivalent. The professional considerations in such matters are set out in Professional Conduct in Relation to Taxation from para 5.43.

Human resources

Programme of correcting identified deficiencies.

corregidor

Chief magistrate of a Spanish town.

correlation

Statistical measure of the relationship between two variables.

correlation coefficient

In mathematics, a measure of how far one number is influenced by a change in another. A coefficient of 1 means that the two numbers move in tandem. A coefficient of -1 means that one numbers moves in an inverse ratio to the other.

This concept is used in valuing shares and other securities. By stripping out the correlation coefficient (or **beta**) which relates to the market in general, it is possible to identify the changes which relate to the particular security.

correlational method

In statistics, methods designed to determine which differences are relevant to the subject under study.

correspondent bank

Bank which accepts deposits and performs other services for a bank which is not represented in a territory.

corresponding adjustment

Provision in the OECD model treaty article 9 para 2, which broadly requires that tax relief given in one country on an international transaction should be matched by an equivalent tax charge in the other country.

corresponding bonus shares

"In relation to any shares, means bonus shares which:
(a) are issued in respect of those shares, and
(b) are in the same company, are of the same class, and carry the same rights, as those shares" (Income Tax Act 2007 s151(1); Corporation Tax Act 2010 s90(1)).

corresponding day rule

Rule of legal interpretation that a time limit of one month means by one less than the same day in the next month.

An example in a tax case is *re O'Connor Utilities Ltd [2009] EWHC 3704 (Admin)* where it was held that the time of one month from 4 November 2008 meant by 3 December 2008.

corresponding debtor relationship

In relation to transactions not at arm's length and loan relationships, the term is defined in Corporation Tax Act 2009 s450.

corresponding deficiency

Deficiency at the end of certain insurance products (particularly the single premium bond) which matches any tax charges imposed during the bond's lifetime in respect of withdrawals in excess of 5%.

corresponding proportion of the weekly PAYE threshold

For PAYE, this "is established by dividing the number of days in the payment interval by 7, and multiplying the result by the **weekly PAYE threshold**" (PAYE regulations SI 2003 No 2682 reg 9(9)).

corresponding retrospective tax provision

Term used in Social Security Contributions and Benefits Act 1992 s176 in relation to Parliamentary control of regulations regulating to **statutory payments**.

corresponding shares

Shares that correspond to original shares in a **profit-sharing scheme** (Income and Corporation Taxes Act 1988 Sch 10 para 5).

corresponding UK claim

In relation to mutual assistance in recovering taxes between EU states, this "means a claim in the United Kingdom of a kind that appears to the relevant UK authority to correspond most closely to the kind of foreign claim to which a foreign claim belongs"
(Finance Act 2011 Sch 25 para 8(1)).

corresponding UK tax

Term used in relation to controlled foreign companies. It means the UK taxation that would be paid if the company were subject to UK taxation.
It relates to what is now known as the **tax exemption**. This broadly provides that the profits of a CFC are not subject to UK if the foreign tax is at least 75% of the corresponding UK tax.
This provision is present in both the pre-2012 and post-2012 regimes.

corridor

In investing, an upper and lower limit for a security. Payment under a **corridor warrant** is conditional on maintaining the corridor.

corridor warrant

Warrant designed to pay a fixed amount, provided the underlying security trades within a **corridor**.

corrupt

Debased, spoiled, dishonest.
In human resources, description of someone who is dishonest, such as by taking bribes or misappropriating property.
In computing, description of a disk which is physically damaged so that not all the data can be read.

corruption

Where payment or other improper conduct is made to someone to discharge their duty in a manner that shows undue favour or disfavour to someone. This is a common law offence and is also outlawed by various statutes.
Such payments are disallowed from trading expenditure as a **criminal**

payment (Corporation Tax Act 2009 s1304).

The matter is discussed in the Inspectors' Manual at BIM 43125.

corset

In finance, any regulation or procedure which has the effect of severely constraining action.

corvée

Unpaid work that a person can be required to do. As such it is a form of taxation in kind.

Corvée originated in ancient Egypt. It was widely used in ancient Rome and has been widely followed since then, as a form of feudal tax.

In France, corvée existed until 4 August 1789, and was revived in 1824, 1836 and 1871.

Some English feudal practices of the medieval period may be regarded as corvée.

COSA

Cost of sales adjustment.

co-signatory

Person who also signs a document.

cosmetic

Description of something which changes the appearance but makes no substantive change.

cosmetic surgery

Surgery designed to correct a physical defect, mask the effect of ageing or otherwise improve a person's physical appearance.

The Inspectors' Manual at BIM37945 states that this is not usually a tax-deductible expense.

COSR

Contracted out salary-related, a form of occupational pension scheme.

COSRS

Contracted-out salary related scheme, a form of occupational pension scheme.

COSRS service

"Service in employment which qualifies the earner for a pension provided by a salary related contracted-out scheme" (Social Security Contributions and Benefits Act 1992 Sch 1 para 1(9)).

cost

Amount of money which must be paid for something.

On its own, the word is almost meaningless as there are so many different **costing** methods.

In relation to the cost of an asset, International Accounting Standards give it this specific meaning: "the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction, or, when applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other IFRSs, eg IFRS 2" (IFRS 16 para 6, IAS 38 para 8, IAS 40 para 5).

cost accountant

Accountant who provides management with information about the business's costs. A cost accountant is a particular type of **management accountant**.

cost accounting	Process of preparing figures to identify costs of products and services.
cost adjusting factor	Amount by which a group insurance premium is adjusted in the light of experience. Such experience may include claims record, location, occupation and workforce profile.
cost allocation	Procedure for apportioning overheads to cost centres.
cost analysis	Process of determining costs, particularly for a future product or service.
cost apportionment	Sharing out an overhead between cost centres.
cost approach	"A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost)" (IFRS 13.A)
Costa Rica	South American republic. Its currency is the Costa Rican colon of 100 céntimos.
cost assets ratio	Accounting ratio used by banks. It is calculated as operating expenses divided by average assets over the same period.
cost basis	Cost price of an asset as used to calculate capital gains tax. The term acquisition cost is now more widely used.
cost benefit analysis (CBA)	Process of comparing costs and benefits as a means of determining effective use of resources.
cost benefit ratio (CBR)	The amount expected to be earned or saved as a ratio of expenditure. So if £100 of expenditure earns or saves £500 of income, the CBR is 5.0.
cost centre	Person, group, division or other part of a business to which costs can be allocated in management accounting.
cost code	In management accounting, combination of letters and numbers of the business's devising that are used to identify costs.
cost contribution	Financial arrangement whereby each member of a group is required to make a payment or take a charge for central services, such as finance, research and administration. Such arrangements are subject to transfer pricing rules.
cost cutting	Process of identifying savings which may be made.
cost driver rate	In management accounting, the total costs in a cost pool dividend by the number of times the activity occurs.
cost-drivers	In management accounting, the factors that most influence the cost of an activity.

cost-effective	Description of an arrangement where the expense can be justified, such as spending £100 to generate an additional profit of £300 or to save other expenditure of £300.
cost envelope	Term used to define a range of acceptable costs. The term was used from 2006 to indicate the acceptable cost of operating the Local Government Pension Scheme.
cost factor	Cost seen as one factor in making a decision.
cost funding	Contribution of an affiliated company to central costs. This is usually calculated by reference to the affiliate's profit or turnover.
cost income ratio	Accounting ratio used by banks. It is calculated as operating expenses over a period divided by operating income for the same period.
costing	Method to determine how much expenditure is incurred on an item. It is a significant element in management accounting . At its simplest, the three common methods of costing are: <ul style="list-style-type: none">• direct costing;• marginal costing;• opportunity costing.
cost justification	Argument that an expense is justified as it will overall improve a person's or business's financial position. In other words, the cost is cost-effective . Cost-justification usually requires a demonstration that the expense will generate a greater sum of net income (as in advertising) or while save a greater sum of expenditure elsewhere (as for security).
cost management	Management accounting which is primarily concerned with identifying and quantifying where costs are incurred.
cost of borrowing	Expenditure in the form of interest on borrowed money.
cost of capital	Equivalent interest rate for how much the company's capital costs it.
cost of carry	(1) Extent to which the cost of holding funds exceeds the return they earn. (2) In a futures contract, the cost of holding the underlying security.
cost of funds	(1) In banking, cost of borrowing in the principal money markets. This cost determines the interest rates charged to customers. (2) In commerce, cost of raising additional finance for a business.
cost of generating funds	Figure in a SOFA of a non-commercial body for the expenses of generating income, such as the cost of a church stewardship campaign or a charity's fund-raising expenses.
cost of goods sold	Materials, labour and other costs directly related to the goods or services provided.

cost of living adjustment (COLA)	American term for an annual adjustment in wages to reflect increased prices of consumer goods.
cost of living allowance	Addition to normal earnings to pay for living expenses, such as when an employee is temporarily relocated. When paid as a fixed sum, it is added to gross pay and is subject to income tax and national insurance under PAYE.
cost of living index	Old term for what is now the retail prices index .
cost of provision	<p>“In relation to a non-cash voucher, the expense incurred in or in connection with the provision of:</p> <ul style="list-style-type: none">(a) the voucher, and(b) the money, goods or services for which it is capable of being exchanged <p>by the person at whose cost they are provided.” (Income Tax (Earnings And Pensions) Act 2003 s87(3)).</p>
cost of quality	In management accounting, all the costs involved in providing a quality product rather than a standard product.
cost of sales	<p>Direct cost of providing goods or services which are sold by a business. Cost of sales is subtracted from turnover to give gross profit. In bookkeeping, cost of sales is usually calculated as: cost of sales = purchases + opening stock – closing stock.</p>
cost of sales adjustment (COSA)	Adjustment made in current cost accounting to the usual cost of sales figure to reflect inflation on the value of materials or stock consumed during the accounting period.
cost of the asset	<p>(1) In terms of writing down an intangible asset for corporation tax purposes, this term is given the specific meaning of “the cost recognised for tax purposes” (Corporation Tax Act 2009 s731(3)).</p> <p>(2) In relation to the realisation of an old asset for expenditure on another asset, the term is given a specific meaning in Corporation Tax Act 2009 s755(3) and 758(5).</p>
cost of the new assets	Term that has a specific meaning defined in Taxation of Capital Gains Act 1992 s162(4) in relation to roll-over relief on the transfer of a business.
cost per acquisition	Another expression meaning cost per action .
cost per action (CPA)	<p>Method of paying for advertising on the Internet. Advertisers pay only when an ad display leads to a completed sale, registration, download, etc. Almost all affiliate network advertising can be thought of as CPA.</p>
cost per click (CPC)	<p>A performance-based pricing model for advertising sales. CPC pays publishers based on number of clicks on a specific</p>

advertisement, that is the number of times someone accesses the advertisement.

cost-per-hire

American term for the direct and indirect costs of filling a job vacancy.

cost-plus

Method of pricing which simply adds a profit margin to whatever the seller paid to buy or produce the goods.

cost-plus contract

Contract in which the price paid is determined as the cost to the supplier plus a margin.

Such contracts are common in the public sector. In the private sector, such contracts are usually avoided as they provide insufficient incentive for the supplier to control costs.

For International Accounting Standards, it is defined as "a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs, plus a percentage of these costs or a fixed fee" (IFRS 11 para 3).

cost-plus pricing

Policy of fixing a price for goods and services as the cost of providing it plus a desired profit margin.

cost pool

In management accounting, the total cost that relates to each activity.

cost price

Price which is the same as that paid by the seller, so the seller earns no gross profit.

cost sharing

Arrangement whereby two or more organisations seek to reduce costs by sharing facilities.

EU law allows a measure of VAT relief under Article 132(1)(f) of the Principal VAT Directive. The UK government issued a consultation document in June 2011 on how this may be translated into UK law.

cost sharing agreement

Agreement between members of an international group on how to share common costs, such as administration, and research and development. Some countries prefer to base their tax systems on such an agreement rather than on transfer pricing.

cost-sharing arrangement

In relation to patent box, "is an arrangement under which —

(a) each of the parties to the arrangement is required to contribute to the cost of, or undertake activities for the purpose of, creating or developing an item or process,

(b) each of those parties —

(i) is entitled to a share of any income attributable to the item or process, or

(ii) has one or more rights in respect of the item or process, and

(c) the amount of any income received by each of those parties is proportionate to its participation in the arrangement as described in paragraph (a)"

(Corporation Tax Act 2010 s357GC(2) as inserted by Finance (No 2) Act 2017

s23).

cost sharing group (CSG)	Body of person set up for cost sharing . They must be an independent group of persons .
costs judge	Court officer who settles disputes about legal costs. The office was previously known as a taxing master .
costs of a dwelling-related loan	This is given a specific meaning in Income Tax (Trading and Other Income) Act 2005 s272B as inserted by Finance (No 2) Act 2015 s24.
costs of disposal	"Incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense" (IAS 36 para 6).
cost to close	In forward foreign exchange transactions, the cost of liquidating an outstanding contract at current prices.
costs to sell	"The incremental costs directly attributable to the disposal of an asset (or disposal group), excluding finance costs and income tax expense" (IFRS 5.A)
cost-volume-profit (CVP)	In management accounting, an analysis of the relationship between costs, sales volumes and profits.
cost-yield ratio	Cost of tax collection as a proportion of the revenue collected.
COT	Customer operations team, of Companies House.
Cote d'Ivoire	African republic. Its currency is the Central French African franc of 100 centimes. The UK has a double taxation convention of 1985 in the country's former name of Ivory Coast.
cote officielle	Official price of a security on the Paris Bourse. The term sometimes means the Bourse itself.
cotset	Lowly form of feudal bondsman. The term is found in Domesday Book.
cottage orné	French: adorned cottage. Cottage to which embellishments are added to indicate that its owner is prosperous.
cottaging	Criminal offence of sexual activity in a public lavatory, which is illegal under Sexual Offences Act 2003 s71.
cotter	Peasant land-holder. The exact status has varied.
cotton	Tradeable commodity. It comes from the tufts of the cotton plant, which can be cleaned, spun and woven to make cloth.

- Coumarin** A colouring agent used to identify road fuel on which **hydrocarbon oil duty** has not been paid. From 1 April 2015, it is known as **1:2 benzopyrone** (Hydrocarbon Oil (Designated Markers) Regulations SI 1996 No 1251 para 2(2)).
- council house** Property owned, and often built, by a local authority and offered to people who cannot afford **market housing**. The rent is controlled by the council. **Housing benefit** exists to meet the cost for those who cannot afford this rent. In 1980, council house tenants were given the **right to buy** their homes at a significant discount, depending on how long they lived there. The discount was up to 60% on houses and 70% on flats. In the same decade, many councils transferred their houses to **housing associations**.
- councillor** Elected member of a local authority. Such a member typically receives a basic allowance, special responsibilities allowances (such as for chairing a committee) plus expenses. For tax purposes, the member is regarded as an office holder. As such, the authority must operate PAYE and class 1 national insurance. The allowances and expenses are taxable as gross income, except to the extent that expenses are deductible. Details are given in PAYE regulations SI 2003 No 2682 from reg 118. Guidance on the allowance of expenses is provided in the Inspectors' Manual at EIM 65955. Further guidance is provided in the case *Lorber [2011] TC 986*. From 1 April 2016, there is a specific tax relief for travel expenses incurred in duties within the area and within 20 miles of the boundary. This provision is given in Income Tax (Earnings and Pensions) Act 2003 s235A as added by Finance (No 2) Act 2015 s29(3).
- council of reference** Body of people to whom the management of an organisation may refer matters for advice. Typically such a council is established by a charity or other voluntary body. Its members are people of eminence whose inclusion is intended to reassure others with whom the organisation deals about the integrity of the organisation. It is rare for anything to be referred to the council. Also called a **committee of reference**.
- Council on Tribunals** Body abolished by Tribunals, Courts and Enforcement Act 2007 s45.
- council tax** **Overview**
Local authority tax introduced on 1 April 1993 to replace the unpopular **community charge**. The law is Local Government Finance Act 1992. Its base is an equal mix of property and people. Council tax is paid for a **dwelling**. This is a separate unit of living accommodation with any garden, yard, garage or outbuildings. **Property bands**
Properties categorised into eight price bands indicated by the letters A to H. If the house has been adapted for the disabled, it is automatically reduced by one band.

The full rate for the band is payable if the household has two or more adults. If it has only one adult, only 75% of the rate is payable.

Local authorities have a discretion on how much rebate to provide for empty properties and second homes.

Reductions

There are many reasons why the full amount of council tax may be reduced.

These include:

- the dwelling has only one occupant
- an occupant has a disability
- there is a council tax support scheme.

There are also some exemptions such as for empty property, where the occupant is in prison and where the occupant is in hospital or a residential home.

Council tax is not charged for certain types of residential property such as students' halls of residence, barracks and diplomatic premises.

Payment

The council tax is not payable until the local authority has sent the household a bill. The household may pay in a single payment, two equal payments, or 10 equal monthly payments from April to February. If an instalment is not paid within seven days, the right to pay by instalments is lost, and the whole sum becomes payable.

Paid by employer

If an employer pays an employee's personal council tax bill, this creates a taxable benefit in kind on the **pecuniary liability principle**. This is explained in the inspectors' manual at EIM00585.

Council tax benefit

There was a special social security benefit, known as **council tax benefit**, to assist the poorest people. Those who do not pay the tax can have it deducted from their pay under a **council tax attachment of earnings order (CTAEO)**.

This has now been replaced by local schemes which each council devises for itself.

Members of the **armed forces** may receive a special relief. This is not a taxable benefit (Income Tax (Earnings And Pensions) Act 2003 s297B).

council tax attachment of earnings order

Form of **attachment of earnings** order that may be taken out by a local authority to recover council tax.

council tax base

An assessment by each billing authority of the number of converted to Band D equivalents (the average band), after properties, allowing for non-collection and new properties, on which a tax can be charged.

council tax benefit (CTB)

Means-tested social security benefit introduced with **council tax**. It is now replaced by **council tax support scheme**.

Under CTB, the claimant must have a sufficiently low income, capital of

less than £16,000 and be resident in a premises for which he or she is liable to pay council tax.

The allowance is paid under Social Security Contributions and Benefits Act 1992 s131.

CTB is to be abolished and replaced by **universal credit** under Welfare Reform Act 2012 s33(1)(e).

CTB is not subject to income tax (Income Tax (Earnings And Pensions) Act 2003 s677).

council tax rebate	Name by which council tax benefit is known under Welfare Reform Act 2009.
council tax support scheme	Scheme run by the local authority that administers council tax . The scheme assists occupants on low incomes to pay the tax.
council tax surplus (or deficit)	<p>The amount by which the actual council tax collected exceeds (or falls short of) the estimated figure.</p> <p>A council's tax base is calculated using an estimated collection rate.</p> <p>The surplus or deficit is shared by the billing authority and any other authorities who serve a precept on the billing authority. These surpluses or deficits increase or reduce the spending capacity of the authority.</p>
counsel	<p>(1) To provide emotional support.</p> <p>Certain types of counselling for employees are exempt from income tax (Income Tax (Earnings And Pensions) Act 2003 s310) or corporation tax (Corporation Tax Act 2009 s73).</p> <p>(2) Barrister or equivalent legal representative.</p> <p>In Scots law, "a member of the Faculty of Advocates practising at the Scottish Bar. An advocate has the right to appear before any court in Scotland or the UK Supreme Court" (Judiciary of Scotland website glossary).</p>
counselling	Providing assistance to a person in dealing with a problem. Outplacement counselling is generally allowed as a taxable deduction as counselling expenses .
counselling expenses	<p>The term is defined in Corporation Tax Act 2009 s73(2) and Income Tax (Trading and Other Income) Act 2005 s73(2).</p> <p>For companies with an investment business, tax relief is given by Corporation Tax Act 2009 s1237.</p>
counsellors of state	<p>Persons to whom the functions of a monarch are delegated when the monarch is under age (Regency Act 1937 s2).</p> <p>The counsellors are basically the husband or wife of the sovereign and the next four people in succession to the throne.</p>
counsel's opinion	Written advice from a barrister, usually a senior specialist barrister. Such advice is often sought before commencing larger tax appeals or in promoting a tax avoidance scheme.
count	Simple method for determining a quantity by adding up.

countable day	In relation to the temporary importation rule to provide relief under the remittance basis, this term is defined in Income Tax Act 2007 s809Z4(2).
countenance	(1) Appearance, outlook. (2) Consider, view as an option.
counter	Surface in a shop or similar premises on which traded goods may be placed. This is listed in Capital Allowances Act 2001 s23 List C as an item that is not affected by the provisions of s21 (buildings) or s22 (structures). This means that its eligibility for capital allowance depends on the nature and purpose of the item.
counteraction	Steps taken to negate a previous action. In tax, it particularly refers to provisions to cancel a tax advantage from artificial avoidance. Finance Act 2013 s209(5) allows for such counteraction to be in whatever form is appropriate.
counteraction notice	Notice served by HMRC on a taxpayer to counter a tax advantage in limited circumstances. Details are given in Income Tax Act 2007 s698.
counteraction provision	In relation to HMRC powers, this term is defined in Finance Act 2008 Sch 36 para 37B(3).
counterbalance	Any device which prevents an adverse effect by administering an opposing force, such as the weight used to offset the arm of a crane. The term is also used figuratively to mean any procedure which automatically comes into effect to check the exercise of authority.
counterbid	Bid which is offered as an alternative to a previous bid.
counterclaim	Claim which is made by one party in response to a claim from the other party. For example, A sues B for an unpaid bill. B may make a counterclaim for A for loss suffered by poor goods from A. In Scots law, "a claim made by a defender against a pursuer in a civil action raised against his or her" (Judiciary of Scotland website glossary).
counter-cyclical	Description of businesses or policies which do well when the general economy is performing badly.
counter-cyclical demand management policies	In Keynesian economics, the demand management policies which a government should follow when the economy is in difficulties.
counter-cyclical stock	Stock (ie security) whose price tends not to be influenced by the state of the economy. Companies that produce basic goods, such as food, are often examples.
counter-evidence	Evidence which is produced to rebut evidence already provided.

counterfactual currency movement assumptions

Corporation tax provisions are given in Corporation Tax Act 2009 s328D and s606D.

counterfeit

Forgery, particularly of coins or consumer goods.

Making such goods is a criminal offence. Customs may seize such goods brought into the country. Note that currency is counterfeited, not forged.

counterfeit coins

Coins made other than by proper authority with a view to being passed as currency. It is a criminal offence under Forgery and Counterfeiting Act 1981.

countermand

Order which cancels a previous order, such as asking a bank not to pay a cheque which you have issued.

countermark

(1) Additional mark put on a quantity of goods to indicate restrictions on those goods, such as who may open them or collect them. The term particularly applies to the mark put on standard metal by the London Goldsmiths' Company.

(2) For coins, an additional mark or design placed on a coin to indicate the issuing authority, such as a provincial mint. In the 1800s, it was a common practice to overstamp legal tender coins with advertising messages until this was made illegal.

counter-offer

In contract law, an offer which is made as an alternative to a previous offer.

A counter-offer negates all previous offers. In the case *Hyde v Wench [1840]* a man offered to sell his farm for £1,000. The claimant said he would pay £950, which was rejected. He then said he would pay £1,000 but the seller now refused. He was entitled to do so, as the counter-offer had negated the original offer.

counterpart

Equivalent person, such as the person doing the same job as yourself in another company.

counterparty

The other party in a contract or deal.

counterparty risk

Risk to a business that a counterparty will fail to perform his duties.

counterplead

Plead the opposite to what is being alleged.

counter-productive

Description of something which reduces productivity, particularly when it was intended to improve productivity.

counter-proposal

Alternative proposal to one already made.

counter-revolution

Revolution which reverses or negates the effects of a previous one.

countersign

Second signature on a document.

countersignatory

Person who provides a **countersignature**.

countersignature	Second person who signs a form or letter. The term is particularly used on passport application forms and similar, when the countersignatory confirms that he or she has known the person personally for at least two years.
counter staff	Workers in a retail business directly engaged in serving customers.
counter-statement	Statement made to contradict an existing statement.
counter-terrorism financial investigator	Person so designated by the metropolitan police under Terrorism Act 2000 s63F as inserted by Criminal Finances Act 2017 s41(2).
countertrade	Another term for barter .
countertrading	Barter, particularly on an international scale.
counter-view	An opposing point of view.
countervailing charge	Charge which may be imposed by the European Commission either on certain goods from specified European Union (Member States during some months of the year or as part of a minimum import price system.
countervailing credit	Another name for back-to-back credit .
countervailing duty	Customs duty imposed on imported goods to negate the effect of a subsidy from the government of the exporter.
counting	Basic method for determining the number of items. In mathematics, counting methods may be extended to include multiplication, permutations and combinations.
Countingup Bank	A bank that opened for business on 29 March 2018. It described itself as “a bank that thinks it’s an accountant”.
country	Strictly speaking, a country is a geographical unity whereas a nation or state is a political unity. However this distinction is often not observed. Tax law tends to talk of territories.
country-by-country reporting (CbC reporting)	Means of helping tax authorities address tax avoidance by requiring businesses to state their turnover for each country of operation. Its provisions are set out in the OECD Guidance on Transfer Pricing Documentation and Country-by-Country Reporting, published in 2014. The Treasury may make regulations to implement this guidance under provisions of Finance Act 2014 s122. CbC became compulsory for accounting periods that start on or after 1 January 2016.
country code	Code that indicates a country as issued by the International Organisation for Standardisation.

There are three forms of code: 3-digit, 2-letters and 3-letters. For the UK, these are respectively 826, GB and GBR.

country identifier

Another name for **country prefix code**.

country prefix code

Two-letter code that identifies the member state that issued a VAT invoice. This code must be shown on a UK invoice when goods are supplied to a customer who is registered in another member state. The code for the UK is GB (even for Northern Ireland). This code is sometimes called the country identifier.

Countryside Council for Wales

This is specifically exempt from capital gains tax under Taxation of Capital Gains Act 1992 s257.

Countryside Stewardship Scheme (CS)

Government scheme that provides financial incentives for farmers and land managers to look after the environment by:

- conserving and restoring wildlife habitats
- flood risk management
- woodland creation and management
- reducing widespread water pollution from agriculture
- keeping the character of the countryside
- preserving historical features in the landscape
- encouraging educational access.

The scheme provides various grants for defined periods.

Provided such land was used for agricultural purposes when it joined the scheme, the land qualifies for agricultural property relief from inheritance tax.

country-specific risk

In investing, risk that attaches to a country because of a connection with that country, such as by being based there or extensively trading there.

county

(1) Historic geographical area.
(2) "For the administration of local government on or after 1st April 1974 England.. shall be divided into local government areas to be known as counties and in those countries there shall be local government areas to be known as districts" (Local Government Act 1972 s1(1)).

country tie

For **statutory residence test**, one of the **sufficient ties** test that has only to be considered by a taxpayer who was resident in the UK for one or both of the previous two tax years. The test is met if the UK is the country in which the taxpayer spent the greatest number of days in the current tax year.

county court

Court which hears most civil disputes, such as unpaid bills.

The term "means—

(a) in relation to England and Wales, a court held for a district under the County Courts Act 1984;

(b) in relation to Northern Ireland, a court held for a division under the County Courts (Northern Ireland) Order 1980" (Interpretation Act 1978 Sch 1).

county court bailiff	Person responsible for enforcing orders from the county court.
county court judgment	Legal recognition that a person owes a debt.
coup	Blow or stroke, particularly a clever move. The term has a range of meanings from the forced replacement of a government to a surprisingly successful achievement at work.
coup de foudre	French: sudden happening. The term can mean love at first sight.
coup de grâce	French: blow of grace. A final blow to end the existence of a person, animal or business, and thus end its suffering.
couple	<p>For purposes of national insurance and social security, “means —</p> <ul style="list-style-type: none">(a) a man and woman who are married to each other and are members of the same household;(b) a man and woman who are not married to each other but are living together as husband and wife otherwise than in prescribed circumstances;(c) two people of the same sex who are civil partners of each other and are members of the same household: or(d) two people of the same sex who are not civil partners of each other but are living together as if they were civil partners otherwise than in prescribed circumstances” <p>(Social Security Contributions and Benefits Act 1992 s137(1) and State Pension Credit Act 2002 s17 and Tax Credits Act 2002 s3(5A).</p> <p>The same definition appears for universal credit purposes in Welfare Reform Act 2012 s39(1).</p> <p>For age-related benefits, the term means “a man and a woman who share a household and who are, or who live as, husband and wife” (Age-Related Payments Act 2004 s8(1)).</p>
couple penalty	Term used for loss of social security when two social security claimants become a couple. The term was used in the Centre for Social Justice’s report <i>Social Policy Group</i> published in 2007 and by the Institute of Fiscal Studies in the same year. It has been subsequently used in parliamentary briefings. The penalty remains.
couple relationship	Term used by HMRC in Agent Update of 24 February 2010 to describe a relationship where two people live together, whether married or not. Such a relationship can trigger changes to entitlement to tax credits. Non-marital relationships are sometimes referred to as living together as husband and wife or LTAHAW .
coupon	<p>(1) Any document which is provided for the recipient to use to obtain a financial benefit.</p> <p>(2) A slip of paper attached to a bond or other document which is submitted by the holder to obtain a dividend or similar payment. From this meaning, the word is sometimes used to mean the rate of interest payable on a loan.</p>

coupon rate	Fixed interest rate paid on a government bond or debenture.
coupon security	Government security which has a coupon and pays interest, as against a security which pays no interest but is sold at a discount to its face value.
coupon stripping	Financial process in which the coupon is removed from a bearer bond and sold as a separate financial instrument. The bond then becomes a zero-coupon bond .
coupon tax	In international tax, a higher rate of tax which is charged on bearer share dividends than on ordinary dividends, as the tax authorities do not know the identity of the shareholder. The UK had such a tax until bearer shares were made illegal.
courier fraud	Fraud where vulnerable people are told their bank accounts have been properly accessed and must be closed with a new account opened. They must hand in their cheque books and cards to a courier for replacement. The account is then emptied of funds. The fraud was first identified and named in 2015.
course manuals	<p>Various VAT cases have established that books provided with an educational course may be zero-rated. It is not a single standard-rated or exempt supply of education. An early case was <i>J E Rendle [1982] VTD 1389</i>.</p> <p>However there have been other cases which have held that they are part of the supply of education. A leading case was <i>HMRC v The College of Estate Management [2005] HL. STC 1597</i>.</p> <p>Following that decision by the House of Lords, Customs issued its own interpretation in Business Brief 20/2005.</p>
court	<ol style="list-style-type: none">(1) Enclosed space in a building.(2) Set of flats, maisonettes or similar dwellings on a single site.(3) Place where legal issues are resolved.(4) Entourage of a monarch or prince.
court-baron	Assembly of freehold tenants of a manor under its lord.
court card	In gambling, a jack, queen or king in a pack of playing cards. The word is a corruption of "coat card" as the pictures show them so dressed.
court cases	Under English law, Scots law, American law and many other legal systems, a court case establishes a precedent . This must generally be followed in any subsequent decision where the facts are the same. A precedent can be overturned by a higher court, or can be reversed by legislation.
court circular	Daily press statement saying what royal members are doing.
court cupboard	Sideboard or similar piece of movable furniture on which chinaware is displayed.

court-day	Day on which a court sits.
court-dress	Special clothes which are required when appearing at the court of a monarch or prince. Sometimes the term is used for special clothing worn by those who appear in a court of law.
courtesan	Mistress or whore kept as part of a court by a monarch or prince.
Court Martial	Court for hearing offences committed by military personnel. It may sit anywhere in the UK or outside (Armed Forces Act 2006 s154).
Court Martial Appeal Court	Court from which an appeal may be made against a court martial. [Note that its name has changed from Courts-Martial Appeal Court by Armed Forces Act 2006 s272).
Court of Appeal	“Means— (a) in relation to England and Wales, Her Majesty’s Court of Appeal in England; (b) in relation to Northern Ireland, Her Majesty’s Court of Appeal in Northern Ireland” (Interpretation Act 1978 Sch 1).
Court of Cassation	Highest appeal court in France.
Court of Criminal Appeal	In Scots law, “the High Court of Justiciary when sitting to hear appeals in solemn proceedings (cases heard on indictment before a jury) is sometimes called the Court of Criminal Appeal” (Judiciary of Scotland website glossary).
Court of Ecclesiastical Causes Reserved	The appeal court in the Church of England’s legal system. It hears appeals from the consistory court . It was formed in 1963. It has only sat twice in more than half a century. It currently exists under the provisions of Ecclesiastical Jurisdiction and Care of Churches Measure 2018 s16.
court of last resort	Court from which there is no appeal.
court of law	Court which hears legal matters, as against any other meaning of the word court .
Court of Protection	Court which deals with the affairs of those who lack mental capacity . It is constituted under Mental Capacity Act 2005 s45.
Court of Protection Visitor	Person appointed by the Lord Chancellor under Mental Capacity Act 2005 s61 to check the treatment of those who lack mental capacity . There are Special Visitors and General Visitors; the former must be doctors.
Court of Protection	Court where issues are decided relating to people who have a mental incapacity.
Court of Session	Supreme court of Scotland, established in 1532. It is the highest civil tribunal in Scotland.

“The supreme civil court. The judges of the Court of Session are also the judges of the High Court of Justiciary, the supreme criminal court” (Judiciary of Scotland website glossary).

The Court comprises 26 judges. Four of these, including the Lord President, sit in the first division. Four others sit in the second division. These two divisions comprise the Inner House. The other judges comprise the Outer House.

Court of St James's	Designation of the place where foreign ambassadors are posted to serve in Britain. Note that the final word is not “St James”.
court of summary jurisdiction	In Scots law, “this is a court sitting without a jury hearing summary criminal proceedings on summary complaint, The courts are the sheriff court when hearing criminal proceedings on summary complaint, a stipendiary magistrate or a Justice of the Peace Court” (Judiciary of Scotland website glossary).
court order	Order issued by a court.
courts board	Board to oversee courts for a defined area of England or Wales (Courts Act 2003 s4). Their duty is to scrutinise, review and make recommendations regarding how the Lord Chancellor discharges his functions in relation to the courts in the area.
court security officer	Person so appointed by the Lord Chancellor under Courts Act 2003 s51.
cute que cute	French: cost what it may.
covenant	Term for various forms of one-sided agreements, in particular: (1) a condition imposed on land restricting its use by the present and future owners; or (2) unilateral promise to pay money for which no benefit is received in return, such as a parent supporting a child or a payment to charity.
covenantee	Beneficiary of a covenant .
covenant-lite	Description of loans where there are few covenants or conditions. As such, these loans are usually high-risk though that risk is mitigated by such loans often being syndicated. The term “lite” means “light” in the sense of not heavy. This novel spelling was adopted by the drinks industry in the 1990s for products without sugar, and has been adopted by the finance industry.
covenantor	Person who makes a covenant .
cover	(1) In accounting, number of times an amount could be paid. In particular, the term is often used to mean dividend cover , which is the number of times the dividend cover could have been paid from net profit. So if a company pays dividends of £100,000 from profits of £430,000, its dividend cover is 4.3. (2) Spread, put on as clothing for a person or a jacket for a book.

- (3) Place in a restaurant and the order for food from the customers who sit there.
- (4) Envelope with a stamp, as in first-day cover.
- (5) Provide temporary replacement of work during a short absence, as when a worker covers for a colleague who briefly leaves his workplace.
[The word has acquired many other special meanings.]

coverall	American term for an overall .
coverage	In USA, amount of protection provided by insurance.
cover charge	Charge per person made by a restaurant or similar establishment in addition to the charge for the food and drink provided.
cover crop	Crop which is grown partly to protect the soil.
covered	Description of a trading position where any risk is protected by another investment or position. This is similar to hedging . The opposite is known as an uncovered or naked position.
covered bear	Person acting like a bear but who holds the stock he is selling.
covered bond vehicle	Form of limited liability partnership. It is defined for bank levy in Finance Act 2011 Sch 19 para 53(7).
covered call writing	Selling a call option on assets that you own.
covered combination	Investment strategy where the investor doubles his position if investments decline in value, and halves in an upward movement.
covered interest arbitrage	Form of arbitrage which exploits inconsistencies between currency depreciation and differences in interest rates.
covered interest rate parity	The principle that the interest rates paid on two currencies should be equal to the differences between the spot rates and forward rates. If there is any disparity, there is an opportunity for arbitrage.
covered position	In investment, position in which all risks are hedged.
covered straddle	Investment strategy where a holder of securities already held writes a call option and a put option at the same price with the same expiry date.
covered warrant	Security that gives the holder the right to acquire a share or bond at a specific price on a specific date. These are typically issued by financial institutions rather than the investee company.
cover goods	In smuggling, genuine goods among which smuggled goods are hidden in the same packaging.

covering letter	Letter sent with a document to explain or comment on those documents.
cover note	A temporary certificate confirming that an insurance policy is in force. Used in motor insurance for taxation/registration purposes and in some other contexts such as life assurance to confirm that cover is effective on a temporary basis while further information is being gathered.
cover price	Price of a newspaper or magazine.
cover pricing	<p>The practice of submitting a high price in a tender document for work the tenderer does not want to do. Submitting a high price rather than refusing to tender means that the tenderer will stay on the customer's tender list. This practice is particularly common for building contracts and for tenders in the public sector.</p> <p>In itself, cover pricing is not illegal. It can become illegal when there is any collusion with other tenderers, as in bid-rigging. Public sector customers may be willing to tolerate cover pricing as it means that they have received more than one tender which makes it easier for them to justify accepting the lowest bidder.</p>
cover ratio	In investing, the number of warrants to exercise into one share.
cover shorts	Buy in stock to sell what a person has already committed to sell.
covert distribution	<p>Arrangement whereby the income of a non-profit-making body are substantially paid to a commercial business in forms such as fees, rent, commissions and the suchlike.</p> <p>It is a tax avoidance scheme.</p>
cover-up	Deliberate concealment of the truth, particularly of a scandal.
cover version	Recording of a song which has already been recorded by a different artist.
CoVi	Common Vision, a think tank.
cowboy	Colloquialism for a person who provides poor quality work, such as one who botches jobs.
cowrie shell	Seashell that has been used as a currency in Africa and Asia. It is the shell of a mollusc from the Cyprian genus.
CP	<p>(1) Commercial paper</p> <p>(2) Common Pleas. Series of Law Reports published between 1865 and 1876.</p> <p>(3) Number of days in a chargeable period, used to calculate capital allowances, as used in the formulae at Finance Act 2008 s80(10) and 83(3).</p>
CPA	<p>(1) Cost per action or cost per acquisition. (They mean the same.)</p> <p>(2) Certified public accountant, a US term.</p> <p>(3) Civil Partnership Act 2004</p>

CPAG	Child Poverty Action Group.
CPC	(1) Customs Procedure Code (2) Cost per click.
CPD	Continuing Professional Development.
CPE	Continuing Professional Education.
CPEI	Customs Procedures with Economic Impact
CPF	Carbon price floor.
CPI	(1) Consumer price index , the official measure of inflation since December 2003. (2) Comparable profit interval.
Cpl	Corporal (military rank)
CPL	Cost per lead.
CPM	Cost per thousand.
CPP	Current purchasing power.
C2 principles	Code of practice developed by Thomas Dundee and David Hess of Pennsylvania University. It sets out how a company and its employees should deal with improper offers of payment.
CPR	(1) Contract profit rate. This figure is used to calculate the price of defence contracts under Defence Reform Act 2014 s15(4). (2) Consumer Protection from Unfair Trading Regulations 2008. (3) Cardiopulmonary resuscitation.
CPS	(1) Crown Prosecution Service. (2) Carbon Price Support mechanism.
CPT	Cuideachta phoibli' theoranta. This is Irish Gaelic for public limited company. Such a company may use these letters instead of plc, though few companies do.
CPTDA	Central Police Training and Development Authority (Centrex)
CPU	(1) Central Processing Unit of a computer. The CPU is the main part of the computer, where most calculations take place. (2) Central Planning Unit , of HMRC
CPVO	Community Plant Variety Office.

CQI	Chartered Quality Institute.
CQS	Consolidated Quotation Service.
cr	Abbreviation for credit .
CRA	(1) Canada Revenue Agency. (2) Credit reference agency,
Crabb, Stephen	Scottish-born Welsh Conservative politician (1973-) who was briefly Secretary of State for Work and Pensions from 19 March 2016 to 14 July 2016.
cracked die	For coin minting, a die that has started to crack as a consequence of use. When such a die is still used, crack marks appear on the coin. An example is the Cromwell crown.
cracking	Process of breaking down molecules, particularly of oil . The first process was invented in 1855. The term is also used for the process of cracking ethylene gas to make potable spirits (Customs notice 39). [The term has many other many meanings that are not relevant for tax.]
crack spread	Type of commodity-product spread that involves the purchase of crude oil futures and the sale of futures in oil products.
craft worker	Individual whose work is primarily based on physical skills, such as in carpentry or die-making.
cran	Traditional measure for herrings landed at port. It is 37½ gallons.
crane grab machine	Amusement machine where a coin operates a crane device in a sealed transparent case. The user tries to manipulate it to win a prize. Such a machine is specifically excluded from the scope of amusement machine licence duty .
Cr App R(eps)	Criminal Appeal Reports. Series of law reports first published in 1908.
craps	This game is specifically listed in Betting and Gaming Duties Act 1981 s13(3) as coming within the scope of gaming licence duty .
crash	(1) In computing, when a computer ceases to work because of a software conflict or similar problem. (2) In investing, a sudden collapse of a market.
crashing	Colloquialism for speeding up a project by increased spending.
crave	In Scots law, "the statement of the precise order sought in a civil proceedings in the sheriff court" (Judiciary of Scotland website glossary).

crawling peg	Method of providing limited stability in exchange rates. The principle is to allow frequent small adjustments of a fixed rate, rather than a fixed rate with occasional large adjustments, or a currency floating freely.
CRC	(1) Carbon Reduction Commitment. (2) ISO code for Costa Rica colon. (3) Community rehabilitation company.
CRCA	Commissioners for Revenue and Customs Act 2005.
CRC Energy Efficiency Scheme	Mandatory scheme previously known as Carbon Reduction Commitment (CRC). It was introduced in April 2010. It requires large public and private sector organisations to reduce carbon dioxide emissions. This excludes reductions already covered by Climate Change Agreements and the EU Emissions Trading Scheme. The scheme covers all organisations that use more than 6,000 megawatts of electricity a year. The scheme works by requiring organisations to buy allowances to cover emissions in the previous year. The scheme has five consecutive phases, each of five years, which run from 1 April 2014 to 31 March 2039, and a final phase of four years from 1 April 2039. The relevant law is CRC Energy Efficiency Scheme Order SI 2013 No 1119, issued under Climate Change Act 2008.
CRD	(1) Central Registration Depository. (2) Capital Requirements Directive.
creatine	Naturally occurring organic substance. For VAT, products made from creatine are generally standard-rated and not zero-rated as food. Further details are set out in VAT notice 701/14.
creation price	Cost to managers of a unit trust in creating units.
creative accounting	Adaptation of financial instruments to give an impression that the company is doing better than is the case. Common methods include off-balance sheet accounting , anticipating profits, capitalising expenditure and overvaluing assets.
creative works	For averaging of taxable profits, "means — (a) literary, dramatic, musical or artistic works, or (b) designs carried on by the taxpayer personally or, if the qualifying trade, profession or vocation is carried on in partnership, by one or more of the partners personally" (Income Tax (Trading and Other Income) Act 2005 s221(3)).
credentials system	Those elements of HMRC computer system that are designed to check that someone accessing taxpayer records on-line is authorised to do so.
credible deterrence	Policy followed by Financial Services Authority and other regulatory bodies of prosecuting a few high-profile cases to deter others from engaging in similar

conduct.

credit

Bookkeeping entry which indicates that an asset's value has decreased, such as when money is taken out of an account.

In the **nominal ledger** (or **trial balance**), a credit balance represents a liability, income, reduction of asset value or a profit.

For recovery of tax by **set-off**, the word is defined in Finance Act 2008 s130(4).

In relation to interest on peer-to-peer lending, "includes a cash loan and any other form of financial accommodation" (Income Tax Act 2007 s888E as inserted by Finance Act 2017 Sch 5 para 3).

credit account

Account with a business, such as a shop or other supplier, which allows the customer to pay for goods later, such as at the end of the month.

credit balance

Balance on an account which shows that is represented by a credit figure.

Confusingly, the term is often used to mean an account that hold funds, even though this is a debit balance in traditional bookkeeping.

credit broker

"Means a person acting in the course of a business of **credit brokerage** carried on by that person" (Consumer Rights Act 2015 s59(1)).

credit brokerage

Business of arranging credit for individuals.

In relation to consumer contracts, "means —

- (a) introducing individuals who want to obtain credit to persons carrying on any business so far as it relates to the provision of credit,
- (b) introducing individuals who want to obtain goods on hire to persons carrying on a business which comprises or relates to supplying goods under a contract for the hire of goods, or

(c) introducing individuals who want to obtain credit, or to obtain goods on hire, to other persons engaged in credit brokerage".
(Consumer Rights Act 2015 s59(1)).

credit card

Payment card allowing its holder to spend up to a **credit limit** and to make payments in instalments as the holder wishes.

From 13 January 2018, it is illegal to make an additional charge for accepting credit cards. There is no obligation on anyone to accept a credit card for payment. HMRC decided not to accept personal credit cards to pay tax from that date. It still accepts debit cards and corporate credit cards. Some other government departments, such as DVLA, decided to continue accepting credit cards and absorb the charge.

Previously HMRC accepted payment by credit card but made a charge for doing so, depending on whether the payment is made by telephone or on the Internet. The authority to make this charge is given by Finance Act 2008 s136. The amount of the charge is fixed by Statutory Instrument.

The rates charged are given below:

From	Telephone payments	Internet payments
2 November 2015	1.5%	1.5%
2 April 2012	1.5%	1.4%

1 April 2011	1.25%	1.4%
14 December 2009	1.25%	1.25%
Previously	0.91%	1.25%

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There is no charge for making payment by debit card.

credit card sales campaign Campaign launched by HMRC on 9 October 2014 in which those who accept credit and debit card payments may voluntarily provide details of transactions to HMRC.

If it is discovered that the acceptor has not paid all the tax owed, they “will be offered a simple and straightforward way to put their tax affairs right” (Agent Update 44, November 2014).

credit clearing System used by banks to clear giros and other credits between them.

credit column Column in a journal or similar book which records the credit entries of financial transactions. Traditionally this is to the right of the debit column.

credit control Functions in a business which are designed to ensure that a company’s invoices are paid.

In general, credit control has two parts. The first part is vetting new customers and monitoring existing customers to ensure that they are creditworthy.

The second part is chasing up debts by letters and telephone calls. The received wisdom is that telephone calls are particularly effective if you follow the **three Ps** of being persistent, polite and patient.

credit controller Person in an organisation responsible for **credit control**.

credit crunch Period when it is difficult to borrow money, usually triggered by fears about the national or world economy.

The term was used to describe the problems in the financial markets which arose in the late months of 2007 and continued into 2008.

The problems were caused by defaults on **sub-prime lending** in the USA, particularly on mortgages. This resulted in liquidity problems as bank became reluctant to lend funds to each other. This was a particular problem for British bank **Northern Rock** which was nationalised in 2008.

The term was used in Auditing Practices Board Bulletin 2008/1 which described the audit implications, primarily of financial institutions. The main concerns are whether all such institutions may still be accounted for as a **going concern**, and whether investments are properly valued.

HM Treasury glossary defines the term as “Situation where banks across the economy significantly reduce lending to each other due to falling confidence that loans will be repaid. This restricts the flow of money around the economy. It can result in less credit being available for consumers and businesses, resulting in an increase in the cost of obtaining credit.”

credit cycle In economics, expansion and contraction of access to credit.

credit default option	Option in which the payoff is related to the credit rating of the underlying security.
credit default swap (CDS)	Contract that relates the performance of a loan or bond to the performance of a security issued by a particular bank, company, state or mortgages. The seller of the contract undertakes to compensate the buyer for any impairment to the credit should there be a default. The seller receives interest, usually expressed in hundredths of a percent.
credit derivative	Any financial derivative where the return is related to the credit rating of the underlying security.
credit enhancement	Techniques for improving the credit-rating of a person, business or for a security, particularly an asset-backed security.
credit entry	Entry on the credit side of an account.
credit excluded	Description of people who cannot borrow money through the normal channels.
credit facilities	Arrangement which a bank makes with a customer allowing him to borrow money, or which a shop makes with a customer allowing him to take goods for payment later.
credit fancier	French: lending money secured on property.
credit freeze	When it is difficult or impossible to borrow money, particularly from restrictions imposed by the government.
credit guarantee	Any form of third party guarantee or insurance for a liability incurred or incurable by another party.
credit institution	For Companies Acts, "means a credit institution as defined in Article 4.1(1) of Directive 2006/48/EC of the European Parliament and of the Council relating to the taking up and pursuit of the business of credit institutions" (Companies Act 2006 s1173(1)).
credit insurance	Insurance policy against the risk of non-payment by a customer.
credit ladder	Informal description of ranks of credit facilities with main financial institutions at the top and loan sharks at the bottom. Typically a borrower climbs down the ladder as the interest rates get higher.
credit limit	Maximum amount a financial organisation will allow a customer to incur, such as on a credit card or bank account.
credit line	Extent to which funds are made available to a borrower.
credit memo	American term for a credit note .

credit mobilia	French: lending money on the security of moveable property.
creditnota	Dutch: credit note
credit note	<p><i>Definition</i></p> <p>A document that a supplier issues to a customer to cancel or reduce the value of an invoice previously issued.</p> <p><i>Usage</i></p> <p>Common reasons for issuing a credit note include:</p> <ul style="list-style-type: none">• when goods have been accepted back;• to correct a mistake on the invoice;• to cancel an incorrect invoice so that a correct invoice may be issued;• to provide a retrospective discount or similar price reduction;• to cancel a charge, such as for delivery;• to remove a disputed item from an invoice to allow the rest of the invoice to be paid. (An invoice is issued for the same amount as the credit note.) <p><i>Accounting and tax</i></p> <p>Provided the credit note is for a bona fide reason, its value is simply subtracted from income for both accounting and tax purposes.</p> <p><i>Value added tax</i></p> <p>Provided the credit note is issued for a bona fide reason, any VAT may be added to the amount, which is then deducted from the output tax payable for that period.</p> <p>A credit note may not be issued as an alternative to claiming bad debt relief.</p>
crédito	Portuguese: credit
creditor	<p>Person to whom you owe money.</p> <p>In Scots law, “a person to whom another person (or debtor) is obliged in some monetary or other obligation” (Judiciary of Scotland website glossary).</p>
creditor days	Number of days it takes a business to pay its creditors. This is calculated as creditors (from balance sheet) divided by purchases, multiplied by 365 or 366.
creditor quasi-repo	A financial arrangement designed to copy the provisions of a creditor repo . Its corporation tax provisions are set out in Corporation Tax Act 2009 s544.
creditor relationship	Term used for loan relationship rules for companies. The term is defined in Corporation Tax Act 2009 s302.
creditor repo	<p>Corporation tax provisions are given in Corporation Tax Act 2009 s543.</p> <p>Income tax provisions are given in Income Tax Act 2007 s925A.</p>

creditor sheet	Another name for a debt statement.
creditors' committee	Body of creditors who meet to oversee an insolvency.
creditors' meeting	When creditors meet to decide whether to agree to the terms of an IVA or bankruptcy. This requirement may be dispensed with under the provisions of Insolvency Act 1986 s246ZE.
creditors' petition	Request by creditors that a person be made bankrupt.
creditors' voluntary liquidation	Winding-up of a company by a special resolution of members with the agreement of the creditors.
crédit par acceptation	French: acceptance credit.
credit purchase	A business entity takes delivery of goods or services and is allowed to make payment at a later date.
credit rating	Indication of how reliable a person is considered to be for the purpose of lending money.
credit ratings agency	Business that analyses the finances of individuals and organisations to determine their creditworthiness.
credit reference	Record of a person's credit record, noting loans and cards used.
credit repair	Improving a person's credit record. This usually involves challenging all adverse entries on a person's credit record.
credit report	Information about a person or business which is relevant in determining whether to provide credit facilities.
credit risk	The extent to which it is considered that a person may not pay his bills or repay a loan. For accounting standards, "the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation" (FRS 102 glossary). For International Accounting Standards, an identical definition is given in IFRS 7.A.
credit risk insurance	Insurance to protect a company against credit risks, such as non-payment by customers.
credit risk premium	Excess of yield earned by a risky investment over that earned by an investment seen as risk-free.
credit sale	The sale of goods, which immediately become the property of the customer, but where the price is payable by instalments.

VAT is charged on the full value of goods when supplied, even if payments is made in instalments (VAT notice 700).

credit sale agreement	Another name for a hire purchase agreement, or similar.
credit scoring	Reducing a person's credit record to a number (usually out of 1000) from which a lender decides whether to lend and at what rate.
credit side	The side of a journal or other book which records the credit entries. Traditionally this is on the right of the debit entries.
credit spread	Different yield from different levels of credit risk .
credit squeeze	Period when funds for borrowing are restricted, particularly when imposed by the government.
credit-token	<p>"Credit card, debit card or other card, a token, a document or other object given to a person by another person ("X") who undertakes:</p> <ul style="list-style-type: none">(a) on the production of it, to supply money, goods or services on credit, or(b) if a third party ("Y") supplies money, goods or services on its production, to pay Y for what is supplied." (Income Tax (Earnings And Pensions) Act 2003 s92(1)). The remainder of s92 qualifies this definition.
credit transfer	Electronic system of payment which allows funds to be transferred via a bank or post office.
credit transaction	<p>In company law, this includes hire purchase, mortgages, conditional sale agreements and similar.</p> <p>If a company enters into a credit transaction with one of its directors, this may require members' approval under Companies Act 2006 s201.</p>
credit union	<p>Mutual body which provides opportunities for a defined group of people to lend and borrow between themselves. It is a non-for-profit organisation that is regulated by Financial Conduct Authority.</p> <p>The first credit union was formed in 1852 in Saxony. They were established in the UK in 1960, though similar bodies such as building societies and friendly societies have existed from 18th century. They are regulated by Credit Unions Act 1979.</p> <p>A credit union has a common bond which defines who may be a member. This is often residents of an area, employees of a company or members of an organisation.</p> <p>Generally, a credit union is not regarded as trading (Corporation Tax Act 2009 s40). Payments by a credit union are not deductible as annual charges (Corporation Tax Act 2009 s133).</p> <p>There are specific tax provisions in Corporation Tax Act 2009 s397.</p> <p>For child trust funds, the term is defined as "a society registered as a credit union under the Industrial and Provident Societies Act 1965 or the Credit Unions (Northern Ireland) Order 1985" (Child Trust Funds Regulations</p>

SI 2004 No 1450 reg 2(1)(b)).

credit watch	In effect, a notification from a credit ratings agency that it expects an individual or organisation to improve their credit rating.
creditworthiness	Ability of a person or business to meet their financial liabilities.
creeping takeover	Slow accumulation of a company's shares as a preliminary step to a takeover bid .
crefft	Welsh: trade.
cremation	One of the legal methods for disposing of a human body. For VAT, cremation is an exempt supply. Further details are given in VAT notice 701/32.
crematorium	Corporation tax provisions are given in Corporation Tax Act 2009 from s146. Income tax provisions are given in Income Tax (Trading and Other Income) Act 2005 from s169. This provides a measure of tax relief similar to a capital allowance based on the number of garden plots sold during an accounting period compared with the number remaining. This tax relief was introduced in 1954. For VAT, the services of a crematorium are usually exempt as a supply of burial and cremation. Further details are given in VAT notice 701/32.
crescendo	Musical term for getting louder. It is often used figuratively to refer to any situation where something is increasing. Note that nothing "reaches a crescendo"; the reaching <i>is</i> the crescendo.
CREST	Electronic share dealing system established in 1996, after the failure of the TAURUS system. Under CREST, shareholdings are held electronically without the need to produce a share certificate.
Cretan paradox	A statement that can never be true nor untrue. The original paradox was a Cretan who said "I am a liar", or more accurately "everything I say is false".
crew	"In relation to a ship or aircraft means all persons actually employed in the working or service of the ship or aircraft, including the captain " (Immigration Act 1971 s33).
CRF	Compliance Reform Group.
CRG	Prefix for HMRC's tax manual on complaints and remedy guidance.
cricket club	The issue of whether it is a mutual trade is discussed in the Inspectors' Manual at BIM24345.

cricketer	<p>A cricketer may retire on a personal pension at the age of 40, provided:</p> <ul style="list-style-type: none">• the person had the right by 5 April 2006,• the right was unqualified in that it needed no other person to consent,• the right was set out in the governing documentation of the pension scheme by 10 December 2003. <p>(SI 2005 No 3451, as explained in the Inspector's Manual at RPSM 03106035).</p>
crime	<p>Offence which is seen as deserving punishment by the state, as against a civil offence where the wronged party must bring any legal action.</p>
crimen falsi	<p>The old common law offence of forgery, now replaced by statute.</p>
crime-related payment	<p>For income tax, a payment whose making is a criminal offence, or payment of blackmail or extortion. Tax relief is not allowed for such payments. This includes payments made outside the UK if they would be a criminal offence if committed in the UK.</p> <p>The disallowance for income tax is in Income Tax (Trading And Other Income) Act 2005s55.</p> <p>The disallowance for corporation tax is in Corporation Tax Act 2009 s1304.</p>
crime sheet	<p>Record of criminal offences committed by a person.</p>
criminal	<p>Pertaining to crime, or a person who commits a crime.</p>
criminal appeal	<p>In Scots law, "an application to the High Court of Justiciary sitting as an appellate court to set aside the decision of court that heard a case at first instance. A criminal appeal from a court of summary criminal jurisdiction is formally called a justiciary appeal" (Judiciary of Scotland website glossary).</p>
criminal conduct	<p>"Conduct which:</p> <ul style="list-style-type: none">(a) constitutes an offence in England and Wales, or(b) would constitute such an offence if it occurred in England and Wales." <p>(Proceeds of Crime Act 2002 s76(1) and s340(2)).</p>
criminal court	<p>"Means:</p> <ul style="list-style-type: none">(a) the criminal division of the Court of Appeal;(b) when dealing with any criminal cause or matter —<ul style="list-style-type: none">(i) the Crown Court;(ii) a magistrates' court." <p>(Courts Act 2003 s68).</p>
criminal damage	<p>Crime committed when a person "without lawful excuse destroys or damages any property belonging to another intending to destroy or damage such property or being reckless as to whether any such property would be destroyed or damaged" (Criminal Damage Act 1971 s1(1)).</p>

criminalise	Make into a criminal offence. Recent examples include fox-hunting and smoking at work.
Criminal Investigation Group (CIG)	Department of HMRC that deals with serious tax evasion that contravenes the criminal law.
criminal law	Law relating to public offences rather than between people.
criminal lifestyle	Lifestyle which appears to be funded from the proceeds of crime. An order may be made to confiscate property belonging to a person enjoying such a lifestyle under Proceeds of Crime Act 2002 s10. A more detailed definition appears in s75.
criminal courts charge	Charge introduced from 13 April 2015 by SI 2015 No 796 payable by every person who pleads guilty or who is found guilty in a British criminal court. It is imposed in addition to any fine or costs. Judges and magistrates have no discretion on the charge. The charge was abolished from 24 December 2015.
Criminal Finances Act	Law that received Royal Assent on 27 April 2017 and largely came into force on 30 September 2017. It introduces various provisions to deal with tax evasion and other financial crimes. It means that all organisations must have procedures in place to ensure that staff do not advise or assist in tax evasion. An employer can no longer say that he or she did not know what the staff were doing. Failure to prevent facilitation of UK tax evasion offences is an offence under s45 of the Act. The equivalent for foreign tax is s46. This includes the introduction of unexplained wealth orders and disclosure orders, and greater powers against money laundering and terrorist finance.
Criminal Injuries Compensation Scheme	In relation to inheritance tax provisions for a trust for a bereaved minor. the term "means — (a) the schemes established by arrangements made under the Criminal Injuries Compensation Act 1995; (b) arrangements made by the Secretary of State for compensation for criminal injuries in operation before the commencement of those schemes, and (c) the scheme established under the Criminal Injuries Compensation (Northern Ireland) Order 2002" (Inheritance Tax Act 1984 s81D(8)).
criminal intent	The standard of proof is given in Criminal Justice Act 1967 s8.
criminal payments	Payments involving crime such as bribery and extortion. From 11 June 1993, such payments are disallowed for tax purposes even if they otherwise meet the conditions of a business expense. The object is "to stop indirect subsidies to criminal activities" and to encourage people not to submit to extortion.

The legislation is now contained in Corporation Tax Act 2009 s1304. This gives three categories of disallowed expenditure:

- where the payment itself is an offence (such as to buy illicit drugs or arms) under s1304(4)(a)
- where a payment is made outside the UK but would be illegal if made in the UK (even if legal where made) under s1304(4)(b)
- (from 30 November 1993) for blackmail or extortion, under s1304(5).

The matter is discussed in the Inspectors' Manual at BIM 43101 and following sections.

Criminal Procedure Rules	Rules introduced from 3 April 2006 under Courts Act 2003 s69.
criminal proceedings	Proceeding against someone under criminal law .
Crim LR	Criminal Law Review, law reports from 1954.
Cripps, Sir Stafford	English Labour politician (1889-1952) who was Chancellor of the Exchequer from 13 November 1947 to 19 October 1950. He raised taxes and tried to reduce imports to deal with the severe post-war economic crisis. He supported nationalisation of heavy industry.
crisis loan	Immediate interest-free loan from the Social Fund to meet a pressing short-term need. Crisis loans are now replaced by budgeting loans. A crisis loan is exempt from income tax.
crisis management	Management during a period of crisis. This can apply to a government, business or a person. Crisis management requires a sure touch, determination and intuitive skills.
crisis of confidence	Mental anguish when a person doubts his ability to do a required task, particularly when this occurs just before doing it and when the person previously was confident of doing it.
crisis of conscience	Mental anguish experienced by someone who is obliged to do something he or she believes to be wrong.
crisis planning	Formal written plan on specific measures an organisation will take in response to a particular crisis, such as fire, flood and bomb threats.
crisis prevention	Specific plans and procedures introduced by an organisation to minimise the consequences of a crisis.
crisps	For VAT, these are standard-rated for VAT if made from potatoes, and when packaged for human consumption without further preparation. They are excepted from the scope of zero-rating food by Value Added Tax 1994 Sch 8 Group 1 Excepted Item 5.

criteria	Plural of criterion . Therefore there cannot be one criteria.
criterion	Mean or standard against which performance may be measured. The plural is criteria.
crith	Unit of mass, that of one litre of hydrogen.
critical event	The point in the business cycle at which revenue may be recognised.
critical illness policy	Insurance policy to provide a lump sum payment should the insured be diagnosed as having one of a number of specified illnesses, conditions or diseases. Also known as dread illness policies .
critical path analysis	Management accounting method which is used to determine which activities of an organisation are essential to its success.
critical period	In psychology, a period in which a specific event must happen for a person to develop normally.
critical success factors	Elements of a plan that are essential to achieving its objective.
critical task	Task or function that is essential to the proper performance of a job or function.
critical value	In statistics, the boundary between accepting and rejecting a hypothesis.
CRM	Customer relationship management.
CRN	Customs Registered Number
CRO	Companies Registration Office.
Croatia	European country that joined the European Union on 1 July 2013, with tax consequences as regards supplies between EU and Croatia, and compliance with the EU Savings Directive in relation to income from Croatia. Its currency is the kuna of 100 lipa. It was formerly part of Yugoslavia, and remains subject to the UK-Yugoslavia double taxation convention of 1981.
crock	(1) Large pot. In mythology there is a crock of gold at the end of a rainbow. (2) Anything or any person which is old and in a poor state. The term was originally restricted to horses.
crocodile	Endangered animal. The importation of the animal or its products is generally prohibited under CITES convention .
croft	Small piece of arable land, particularly which adjoins a dwelling and which is farmed by the dweller. There are some special provisions that relax stamp duty for croft transactions.

Crofters Commission	Body established to regulate and develop crofting in rural communities in the Highlands and Islands of Scotland. It is regulated by the Crofters (Scotland) Act 1993 amended in 2007.
crofting community	“All the persons who (either or both): (a) occupy crofts within a township which consists of two or more crofts registered with the Crofters Commission; (b) hold shares in a common grazing associated with that township.” (Crofters (Scotland) Act 1993 s61(1)).
CROIC	Cash returned on invested capital.
croissant	For VAT, it was held that croissants are cooked to be eaten at above ambient room temperature. A tribunal dismissed an appeal that they were kept warm to keep them fresh and to prevent them hardening. <i>Pret A Manger (Europe) Ltd. VTD 16246.</i>
Cromer, Earl of	English peer, banker and diplomat (1918-1991). He was the third Earl and served as governor of the Bank of England between 1961 and 1966.
Cromwell, Oliver	Lord Protector of England from 1653 to 1658 following the execution of King Charles I in 1649. On Cromwell's death, his son Richard Cromwell briefly continued in the role until the monarchy was restored in 1660 under Charles II. All laws passed in the interregnum between the kings were declared void as they lacked Royal Assent. They were physically torn out of books of laws.
cronfa	Welsh: fund.
crony	Close friend, particularly in the context of someone who is helped by his friends.
cronyism	Form of management which involves appointing, promoting and supporting one's friends just because they are one's friends.
crop	(1) Yield, particularly the harvest from arable farming. (2) Cut, particularly in the context of cutting pictures to fit a piece of artwork.
crop-lifting	Old term for the crime of stealing unharvested crops.
crore	Ten million. This rare term is believed to be of Hindu origin.
Crosby Report	Report by Sir James Crosby to the Treasury on how mortgage lending could be resumed after the banking crisis of 2008-10. The government adopted its main proposal of providing guarantees on some mortgage-backed bonds.
crozier	The hook-shaped end of a bishop's staff. It is sometimes found in the legend on coins.

cross action	In law, when a defendant brings an action against the claimant.
cross and pile	Either the front and back of coins, or the game of pitch and toss. The expression comes from old French coins which bore either a cross or pillar (pile).
crossbencher	Person who sits in Parliament, particularly the House of Lords, but is not a member of a political party.
cross-bill	Old term for a legal action in Chancery where the defendant brings an action against the claimant. [A crossbill is also a type of finch.]
cross-border	Applying to more than one country.
cross-border listing	Practice of listing shares in a company on the stock exchanges of more than one country.
cross-border EU VAT ruling	<p>Scheme whereby VAT-registered traders who envisage a transaction involving more than one member state may obtain a ruling about the VAT treatment.</p> <p>On 23 May 2013, it was announced that the UK was one of 13 EU member states that are participating in the scheme. The other 12 are Belgium, Cyprus, Estonia, France, Hungary, Latvia, Lithuania, Malta, Netherlands, Portugal, Slovenia and Spain.</p>
cross-boundary field	<p>Term used in the oil industry, and defined in Petroleum Act 1989 s10(9).</p> <p>It is quoted in tax law, such as Finance Act 2013 s80(7).</p>
cross-casting	Process of analysis in a cash book.
cross-category activity	Term used in Gambling Act 2005 s16 to describe an activity which has elements both of betting and gaming .
cross-Channel ferry	This is strictly a tautology for Channel ferry. (Where else would such a ferry go except across the Channel?)
cross-check	Process of checking numbers in an accounts book.
cross-claim	In law, action brought by a defendant against a claimant.
cross-country interest-rate swap	Swap of two interest rates in two currencies. Typically this involves swapping a floating rate for a fixed rate.
cross-division	Classifying people into categories which are not mutually exclusive, so that a person may appear in more than one, or possibly in none.
crossed cheque	Cheque which bears the marks of either of general crossing or special crossing . This means that the cheque may only be paid into a bank account, and cannot be exchanged for cash as an open cheque can.

cross elasticity	In economics, change in the supply or demand of one product as a result of a change in another.
cross-examination	<p>“To ask detailed questions in court to find out if they are telling the truth” (website of Crown Prosecution Service).</p> <p>In Scots law, “questions asked of a witness on behalf of a party who has not led the witness are referred to as cross-examination” (Judiciary of Scotland website glossary).</p>
cross-hedge	Hedge created by selling a forward contract or futures contract in a different security or commodity from the one being hedged. For a cross-hedge to be effective, the two underlying securities should have similar price movements.
cross-holding	Situation in which two companies each hold shares in the other. This is sometimes done to cement a working relationship, but the commonest reason is usually to frustrate a takeover bid.
cross-impact matrix	In statistics, a decision table that highlights the probabilities of pairs of events occurring simultaneously.
crossing	<p>Additional marks added to a cheque.</p> <p>Depending on what is written or drawn on the cheque, a crossing may be a general crossing or a special crossing (Bills of Exchange Act 1882 s76). This takes the form of two parallel lines drawn or printed on a cheque to restrict how the cheque may be paid. Almost all cheques are now crossed.</p>
cross-interleaved Reed-Solomon coding	System used for reading data stored on a compact disc .
cross listing	When a share or other security is listed on more than one exchange.
Crossman, Richard	English Labour politician (1907-1974) who was Secretary of State for Social Services from 1 November 1968 to 19 June 1970. He was the first person to hold that office.
cross out	<p>Draw a horizontal line through as a means of indicating that the item is deleted.</p> <p>This is not good practice in manuscript accounts. Instead, the incorrect entry should be negated by a reverse entry, and then the correct entry made, with sufficient narrative to explain what has happened.</p>
cross-over	<p>(1) In charting, a term for the point when a line denoting share prices crosses another line. A common example is when the short-term price crosses below a price for the moving average of the same share. This may be an indicator to buy the share.</p> <p>(2) In marketing, where goods of one type take on the nature of another, offering additional marketing opportunities. The term is commonly applied to classical music rendered in a form likely to appeal to lovers of other types.</p>

cross rate	Exchange rate for two currencies expressed in terms of a third currency.
cross-reference	Reference in a text to another place where further details may be found.
crossroads	Literally a junction of four roads. The term is used figuratively to mean any circumstance where a decision must be made on further direction.
Cross's Act	Law passed in 1875, named after a government minister. It gave local authorities power to clear whole areas of slum houses. The biggest such scheme started in Birmingham in 1876.
cross-section	(1) Diagram which shows the internal structure of a physical object as if it had been cut in the middle. (2) Figuratively, a selection of people who are believed to be collectively representative of the population.
cross-sectional data	Data that all relate to the same time, such as sales of each product in a particular week.
cross trade	Term used for a risk-free transaction from the perspective of one party, such as when a broker acts for both buyer and seller, or a trade between two member firms at the same price and on the same terms.
cross training	In human resources, process of developing a multi-skilled workforce by training employees in skills other than those immediately required for their job.
croupier	Before 6 April 2006 (when the normal pension retirement age was 60), a croupier was allowed to retire on a full pension at the age of 50.
crowding out	Any financial effect caused by excessive activity in another financial area. An example is when high levels of government borrowing depress the returns available from competing investments.
crown	<p>Monarch</p> <p>The monarch, state or government (where the word is used with a capital C). VAT is charged by the Crown as for other suppliers (Value Added Tax Act 1994 s41).</p> <p>Coin</p> <p>Coin first issued in 1526 as a gold coin worth 4s 6d (22½p), and soon replaced. The term later referred to a silver five-shilling (25p) coin issued from 1551 to 1981. Those issued between 1971 and 1990 are legal tender for 25p. Coins of the same size have been issued from 1990 which are legal tender for £5 but which are, strictly, not crowns.</p>
Crown Advocate	Person who reviews and prepares criminal cases, decided on trial tactics and provides pre-charge advice. They may also present some cases in court (based on website of Crown Prosecution Service).

crown agent	Scottish solicitor who prepares criminal prosecutions.
crown and anchor	This game is specifically listed in Betting and Gaming Duties Act 1981 s13(3) as coming within the scope of gaming licence duty .
Crown Court	<p>Criminal court established by Courts Act 1971 s4 as a replacement for Assizes.</p> <p>The term “means—</p> <ul style="list-style-type: none">(a) in relation to England and Wales, the Crown Court constituted by section 4 of the Crown Courts Act 1971;(b) in relation to Northern Ireland, the Crown Court constituted by section 4 of the Judicature (Northern Ireland) Act 1978.” (Interpretation Act 1978 Sch 1).
crown dependency	<p>Crown dependencies and overseas territories are self-governing territories that owe allegiance to the British Crown.</p> <p>Many of them are tax havens. Efforts are being made to improve exchange of information between the UK and these territories.</p>
Crown disclaimer	<p>The right of the Treasury solicitor or (in Scotland) the Lord Treasurer's Remembrancer to disclaim property of a struck off company as bona vacantia. This right is set out in Companies Act 2006 s1013.</p> <p>The Treasury solicitor has said that he will not seek to recover any assets of a struck off company, so all assets may be distributed to members.</p>
Crown employment	<p>Working for the government. Generally such workers have the same rights as other workers though some of these are contained in separate legal provisions. The trade union rights are contained in Trade Union and Labour Relations (Consolidation) Act 1992 s273.</p> <p>For tax, this is “Employment under the Crown:</p> <ul style="list-style-type: none">(a) which is of a public nature, and(b) the earnings from which are payable out of the public revenue of the United Kingdom or of Northern Ireland” (Income Tax (Earnings And Pensions) Act 2003 s28(2)). <p>Provisions for national insurance are contained in Social Security Contributions and Benefits Act 1992 s115.</p>
Crown Equerry	Member of the Royal Household, answerable to the Lord Chamberlain, who has particular responsibility for the royal horses and other travel arrangements.
Crown Estate Commissioners	“means the Commissioners referred to in section 1 of the Crown Estate Act 1961” (Interpretation Act 1978 Sch 1).
Crown gold	Gold that is 0.916 fine, as set by Henry VIII. This is now known as 22-carat gold and remains the main standard for gold coins.
crown jewels	The most valuable asset of a business. The term is often used in the context of what a bidder is seeking in a takeover bid.

crown-land	Land which belongs to the monarch or the state.
crown-lawyer	Lawyer who acts for the state in criminal proceedings.
Crown Marketplace	Government provision announced in November 2015 which makes it easy for businesses to bid for government contracts.
Crown Office	Office for the Queens Bench Division of the High Court.
Crown option	<p>Provision contained in Taxes Management Act 1970 s9D, now repealed. This allowed a choice between different cases of Schedule D for particular types of income.</p> <p>For a discussion about the successor provisions, see <i>Barnetts v HMRC</i>. <i>TC00575 [2010]</i>. It is discussed in the Inspectors' manuals at BIM14035.</p>
Crown Proceedings	Legal action against the government which became permissible under Crown Proceedings Act 1947 that became law on 31 July 1947.
Crown Prosecution Service (CPS)	<p>"The Crown Prosecution Service (CPS) is the principal prosecuting authority for England and Wales, acting independently in criminal cases investigated by the police and others.</p> <p>"The CPS:</p> <ul style="list-style-type: none">• decides which cases should be prosecuted — keeping them all under continuous review;• determines the appropriate charges in more serious or complex cases — advising the police during the early stages of investigations;• prepares cases and presents them at court — using a range of in-house advocates, self-employed advocates or agents in court; and• provides information, assistance and support to victims and prosecution witnesses" (website of Crown Prosecution Service).
Crown Prosecutors	"Senior qualified lawyer employed by the Crown Prosecution Service who review, prepare and prosecute a whole range of cases in court" (website of Crown Prosecution Service).
Crown set-off	In an insolvency, when debts owed to the government (such as all taxes) may be offset against any sums owed by the government to the same person or company. HMRC has confirmed that there is no Crown set-off in a Time to Pay arrangement.
crown witness	Witness for the prosecution in a criminal law case.
CRR	(1) Community and Race Relations. (2) Capital Requirements Regulations
CRS	Abbreviation used for the OECD Multilateral Competent Authority Agreement dated 29 October 2014. It relates to sharing tax information between countries to counter tax

evasion.

CRT

Composite rate tax.

cruciform shields

Design on the reverse of **florins** for the reign of George V from 1910 to 1935. It depends four shields arranged as a cross.

crude oil

Petroleum oil as it comes out of the ground before being processed. It is a mixture of organic compounds of which the hydrocarbons provide most forms of oil for fuel.

The oil industry usually classifies crude oil according to where it is extracted, eg Brent, Oman, West Texas. It is further classified as light crude oil or heavy crude oil. The first is more valuable as it contains more hydrocarbons that can be used as fuel.

crude petroleum

Raw petroleum oil which has not yet been processed. Another name for **crude oil**.

cruise

Holiday travel on a liner.

For VAT, the general rule is that goods supplied on the journey are regarded as supplied from the country where the cruise starts. However in the case *Kholer (C-58/04)*, the European Court of Justice held that goods sold in non-EU ports were to be regarded as being supplied from those ports, even though the journey was from Germany to Italy.

crusade taxes

Tax imposed in 1625 for the Protestant crusade.

CRV

For long funding leases, term used in the formula in Income Tax (Trading and Other Income) Act 2005 s148EA.

Crypto-Asset Accounting and Tax (CAAT)

A computer tool that connects with cryptocurrency exchanges and wallets.

cryptocurrency

Any form of money that exists solely as computer code, rather than as notes and coins. The distinction is a little artificial as much traditional currency now exists primarily as computer records.

The most popular form of cryptocurrency is **bitcoin**, though there are many other forms.

Cryptocurrency has no asset backing and no national or centralised control. Transactions are anonymous, which has made it popular for illegal activities. Disadvantages include wild fluctuations in value and limits on convertibility.

cryptojacking

Term coined in 2018 for infiltrating a computer system to siphon off a cryptocurrency such as bitcoin. Typically it works by taking small amounts over a long period.

crystallise

Process by which a charge is created or a similar provision is brought into effect.

Examples include a liability for capital gains tax when an asset is

	disposed of , or a crystallised right from a pension fund.
crystallised fruits	These are brought within the definition of confectionery by Value Added Tax 1994 Sch 8 Group 1 Note (5). This means they are standard-rated for VAT.
crystallised rights	Rights and benefits under a pension scheme, such as payment of a pension, annuity or similar income. These provisions are discussed in the Inspectors' Manual at RPSM03301005.
CS	Countryside Scheme.
CSA	(1) Child Support Agency. (2) Cost-sharing arrangement , in relation to patent box.
CSA reference number	Number once used by the Child Support Agency to identify non-resident parents who are liable to pay parents with care . From 3 March 2003, the CSA uses the national insurance number .
CSC	(1) Composite service company. (2) Closed, selective and controlling. The traditional form of management .
CSCE	Coffee, Sugar and Cocoa Exchange Inc of New York.
CSCI	Commission for Social Care Inspection.
CSD	Chartered Society of Designers.
CSDR	Community system of duty reliefs.
CSE	Certificate of Secondary Education.
C series	Series of codes used by the HMRC SAFE computer system to record CCP costs, penalties and interest incurred by a taxpayer. A list of the codes is given in the Inspectors' Manual at DMBM115020.
CSFA	Children, Schools and Families Act 2010.
CSG	(1) Community Safety Group. (2) Cost sharing group , for VAT.
CS(ID)A 1985	Company Securities (Insider Dealing) Act 1985.
CSJ	Centre for Social Justice.
CSLA	Standard lifetime allowance, as defined for use in the formula in Finance Act 2004 s219(5).
CSLM	Prefix for HMRC's tax manual on collection of student loans.

CSO	Child support order.
CSOP	Company share option plan.
CSOP scheme	A CSOP plan that has been approved by HMRC under Income Tax (Earnings And Pensions) Act 2003 s521.
CSP	(1) Community systems provider (2) Chartered Society of Physiotherapy.
CSR	(1) Customs Statistical Reference (2) Corporate social responsibility
CSSF	Conflict Stability and Security Fund.
CST	(1) Community Security Trust. (2) Central Standard Time, in USA
C-suite	American colloquialism for members of an organisation's executive. The term is an allusion to abbreviations such as CEO, CFO etc.
CT	(1) Common Transit, or Community Transit (2) Corporation tax.
CTA	(1) Corporation Tax Act. There are two: 2009 and 2010. (2) Consolidated Tape Association.
CTAEO	Council tax attachment of earnings order.
CTA period of account	In relation to capital allowances and finance leases, this is given a specific meaning in Capital Allowances Act 2001 s220(6) and Corporation Tax Act 2009 2010 s1119.
CTB	Council tax benefit.
CTC	Child's tax credit.
CTCG	Corporation tax on chargeable gains.
CTD	(1) Certificate of tax deposit. (2) Cheapest to deliver.
CTF	(1) Child trust fund. (2) Counter-terrorist finance, a set of Treasury policies.
CTFO	Child Trust Fund Office.
CTIS	Director of Corporation Tax, International and Stamps, an office held in Northern Ireland.

CTM	Prefix for HMRC's tax manual on company taxation.
CTO	Capital Taxes Office, part of HMRC.
CTQU	Central Tariff Quota Unit.
CTSA	Corporation tax self-assessment.
Ct Sess	Court of Session.
CTT	Capital transfer tax.
CTTA	Capital Transfer Tax Act 1984. This was later renamed Inheritance Tax Act 1984.
CU	Currency unit. This term is used in modern accounting standards.
Cu	Atomic symbol for copper.
Cuba	Caribbean republic. Its currency is the Cuban peso of 100 centavos. The UK has no tax treaty.
Cuban peso	Currency of Cuba.
CUC	ISO code for Cuban convertible peso.
cucullus non facit monachum	Latin: the cowl does not make the monk. A maxim quoted in <i>Twelfth Night</i> by Shakespeare, not to judge by external appearances.
cue	Indication to do something, such as a mark on a document or a prompt on a computer screen.
cui bono?	Latin: to whose benefit?
cuideachta phoibli' theoranta (CPT)	Irish Gaelic: public limited company. These letters may follow the company name if registered in the Irish Republic.
cujus est dare ejus est disponere	Latin: he who gives anything can also direct how the gift is to be used.
cujus est instituere ejus est abrogare	Latin: he that institutes may also abrogate.
cujus est solum ejus est usque ad coleum	Latin: whose is the soil, his is also that which is above it.

culminate	Means to reach a high point. Its meaning is more precise than simply stating a result or consequence.
culottes	These may qualify for VAT zero-rating if provided for young children, as explained in VAT Notice 714. The matter was considered in the case <i>Dauntgate Ltd [1993] VTD 11663</i> .
culpability	The extent to which someone deserves blame for wrongdoing. The tax penalties of Finance Act 2007 Sch 24 are linked to culpability.
culpable officers	For national insurance, directors and other company officers who are responsible for a failure to pay contributions required by the company (Social Security Administration Act 1992 s121C(1)). The officer can be made personally liable to pay the contribution.
culpa levis	Latin: a small wrong.
cultural disconnect	Belief that everyone in society lives and behaves as you do. Cultural disconnect has been blamed for several tax failures where it is suggested that politicians were insufficiently in sympathy with all sectors of society.
cultural exchange programme	Provision in the OECD model treaty and in many double taxation treaties that allows artists working in another country to be taxed in their home country.
cultural integration	Process of bringing people of different backgrounds together into equal association.
cultural property	In international taxation, provisions in many country's tax systems (including the UK's) that offer special tax provisions to encourage the retention of artistic, scientific, historic and other cultural items.
cultural services	For VAT, such services may be exempted from VAT under EU Sixth Directive Article 13A(1)(n). The exact scope of what is included is a matter for each member state to determine, the Court of Justice of the European Union decided in the case <i>British Film Institute. Case C-529/15 [2017]</i> .
cultural test	(1) One of the conditions that must be satisfied for television tax relief. The legal requirement is given in Corporation Tax Act 2009 s1216CB(2). The test itself is given in SI 2013 No 1831. (2) One of the conditions that must be satisfied for video games tax relief. The legal requirement is given in Corporation Tax Act 2009 s1217CB(2). The test itself is given in SI 2014 No 1958.
culture differences	Diversity of individual behaviour based on the person's race, ethnicity, religion or nationality.
cum	Latin: with. The word is used in expressions such as cum div , which refers to a share

where the purchaser will receive the next dividend. The opposite is **ex**.

cum all	With all advantages attached to a share. This term is not often used now. The opposite is ex all .
cum capitalisation	With all rights of capitalisation being offered to a new purchaser of the share.
cum coupon	Description of a security where the coupon for the current period is still attached (literally or figuratively) so that the dividend may be obtained for the current period.
cum dilectione hominum et odio vitorum	Latin: love the sinner, not the sin (usual translation). This is the Christian doctrine set out by St Augustine in Letters 211 (C.424) of love for fellow man while hating the wrong things he does.
cum div	With dividend. The term is used to denote a share where the next dividend will be paid to a purchaser. A share remains cum div until the registrar closes the register for the dividend run. The share then goes ex div . If a share is bought ex div, the dividend is paid to the previous owner. This is reflected in the price paid. Cum div is sometimes further abbreviated to cd .
cum grano salis	Latin: with its grain of salt. Term used to allow for an abatement of grain to allow for the inevitable small quantity of other material it contains.
cum hoc, propter hoc	Latin expression which means that one event is not necessarily the outcome of the other just because they happen at the same time.
cum multis allis	Latin: with many other things.
cum new	Description of share offered for sale with the right to acquire further shares in a rights issue or bonus issue.
cum notis variorum	Latin: with notes of various [critics or commentators].
cum privilegio	Latin: with privilege.
cum rights	When a share is offered for sale with all the rights attached to the share.
cum testamento annexo	Latin: with the will annexed.
cumulation period	For inheritance tax, period during which lifetime gifts are cumulated for the purposes of seeing if the nil rate band has been exceeded. The period has been seven years for transfers from 17 March 1986, previously from 1981 it was ten years, before which (under capital transfer tax) it was indefinite.
cumulative	Term applied to any form of running total . In accountancy, it often refers to a ledger figure giving a running total of some figure.

In investment, the term is often used for investments such as **preference shares** and other form of **debt equity**. It means a **financial instrument** where any unpaid amount from one period is added to subsequent payments. So a cumulative preference share has any unpaid dividend added to further dividends. These must be paid in full before dividends may be paid on shares.

cumulative accountancy rental excess

For the taxation of finance leases, this term is defined in Income Tax Act 2007 s614BH(5).

For anti-avoidance provisions in relation to leases, the term is defined in Corporation Tax Act 2009 s907(5).

cumulative basis

For PAYE, the application of codes to calculate tax according to how much has been earned since the start of the tax year and how much tax adjustment should be apportioned for the same period.

Tax must be calculated on the cumulative basis unless a provision in the regulation states otherwise (PAYE Regulations SI 2003 No 2682 reg 22).

cumulative interest

Interest which is added at regular periods.

cumulative normal rental excess

For finance leases, this term is defined in Income Tax Act 2007 s614BJ(5).

In relation to anti-avoidance on leases, the term is defined in Corporation Tax Act 2009 s909(5).

cumulative preference share

Form of debt funding for a company where interest is paid for each period, except that if the company cannot pay interest for a period, it is added to amounts payable in a future period.

cumulative preferred stock

In USA, stock in which the dividends are rolled over if not paid for a period.

cumulative principle

Principle that **potentially exempt transfers** are aggregated chronically and cumulatively for inheritance tax during the **cumulation period**.

cumulative threshold

A threshold which increases as time passes. A cumulative threshold was used before 27 March 1980 to determine whether a business needed to register for VAT.

cumulative total amount of activated allowance

In relation to oil and gas companies, this term is defined in Corporation Tax Act 2010 s332E(2) and s356D(1) and s356JG.

cumulative weighted average cost

The average cost, particularly of shares and other securities, when purchases are made at different times for different amounts.

CUNA

Credit Union National Association, US body.

Cunliffe Committee	Body that reported in 1918 on the necessary policies to ensure economic stability after the first world war. It was chaired by Lord Cunliffe who was then governor of the Bank of England.
CUP	ISO code for Cuban peso. The convertible peso has the code CUC.
cupro-nickel	Alloy of copper and nickel usually in the ratio of 3:1. It is used to make silver coins from 1947 to 2002.
Cup Trust	Charity that was established in 2009. It is reported that it received £177 million in donations, reclaimed £55 million from HMRC (including £46 million from Gift Aid) but only donated £135,000 to good causes.
Curaçao	One of the islands of what was known as the Netherlands Antilles .
cur adv vult	Abbreviation of curia advisari vult , the court wishes to be advised.
cura personalis	Latin: care for the entire person. This is the motto of the Jesuits.
curator	In Scots law, "a person either entitled by law or appointed by the court or an individual to administer the estate of another, as of a young person or a person with mental incapacity" (Judiciary of Scotland website glossary). The website adds that the word is not pronounced "curaytor".
curator ad litem	In Scots law, "a person appointed by the court to look after the interests of a party to proceedings who is under legal disability but has no guardian" (Judiciary of Scotland website glossary).
curator bonis	Person who could be appointed to administer the affairs of a person who has lost the mental capacity to administer them. The court case <i>M'Dougall v Smith. CS. [1918] 7 TC 134</i> held that the profits of the person's trade which the curator continued were no longer earned income of the person for whom they were earned. In Scots law, "the person formerly appointed by the court to manage the estate of a young person in place of his legal guardian or to manage the estate of an adult suffering from a mental disorder" (Judiciary of Scotland website glossary).
curatory	In Scots law, "where a person was too young, or infirm, to look after his or her own (financial) affairs, a curator or judicial factor was appointed to do so" (Judiciary of Scotland website glossary). A guardian is now appointed.
Curb Exchange	Name of American Stock Exchange until the 1920s.
curfew parking	Restriction on parking during a short period in the day. This stops all-day car parking but causes less inconvenience for local parking.
curia advisari vult	Law Latin: the court wishes to be advised. The term is used in law reports to indicate that judgment was not

delivered immediately, but after time for consideration.

Curia Regis

Latin: court of the king. Court of 11th century where the king sat as judge, though other judges were later appointed. It was the first national court.

currency

The means of exchange for a territory. This is usually controlled by a **central bank** which oversees the printing of banknotes and minting of coins. In primitive societies, currency was often naturally found items such as **gold** or **cowrie shells**.

Corporation tax has a basic rule that accounts must be prepared in sterling (Corporation Tax Act 2010 s5) but has provisions for accounts in other currencies (ibid ss6-17).

For coins, it refers to items produced for everyday use, as against bullion and commemorative coins.

currency backing

Gold or government securities which maintain the strength of a national currency.

currency band

Exchange rates expressed as upper and lower limits relative to other currencies. The term was used during the life of the **exchange rate mechanism** of the European Union.

currency basket

Group of currencies, which are weighted and then used to determine the value of a new invented currency. The **green pound**, **special drawing rights** and **ECU** are examples of currency baskets.

currency board

Exchange rate system that pegs the rate of one currency to another, with a bond guaranteeing conversion at a fixed rate into the reference currency.

currency clause

Clause in a contract which seeks to avoid problems relating to exchange rates, by stating the rate at which payment will be made, or by stating the method by which such rate is determined.

currency contract

Contract made with a view to hedging a risk from **foreign exchange**.

There are broadly three types of such contract:

- **forward currency contracts**
- **currency options**
- **currency swaps.**

The tax implications are discussed in the Inspectors' Manual at BIM39523.

currency conversion

Exchange an amount in one currency for an amount in another currency.

Note that currency is only converted if actually exchange. If an amount in one currency is simply restated as a value in another currency, it is said to be translated.

currency exchange

(1) **Foreign exchange**

(2) Arrangement between two companies in different countries to agree to cover specific currency needs by matching loans in the national currencies. This avoids the need for any exchange of currency between the countries with

a saving of charges and, possibly, an automatic hedge for currency differences.

currency fixing	Point in the day at which the value of a currency is fixed for a particular purpose. This is often used in contracts where the amount is stated in a currency that fluctuates in value during the day.
currency futures	Purchase of foreign currency for delivery at a future date.
currency hedging	Any financial arrangement designed to mitigate the effects of changes in exchange rates.
currency loan	Amount borrowed in a foreign currency.
currency mismatching	Activity of borrowing money in a country where interest rates are low and depositing it in a country where rates are higher.
currency movements	Changes in the exchange rates between two currencies.
currency note	Bank note or other document which is used as currency. The term is particularly used for notes issued by the Treasury between 1914 and 1928.
currency option	<p>Contract to buy or sell a specified currency at a fixed exchange rate within a certain period.</p> <p>The tax implications are discussed in the Inspectors' Manual at BIM 39523.</p>
currency restrictions	<p>When an overseas debt is not paid because of restrictions or a shortage of currency.</p> <p>This does not make the debt a bad debt. To the extent that the debt has not been insured by ECGD, tax relief may only be obtained under extra-statutory concession B38.</p> <p>The matter is discussed in the Inspectors' Manual at BIM 42750.</p>
currency risk	"The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates" (IFRS 7.A).
currency school	<p>Body of economic opinion following banking crises from 1825 to 1837 on the best method of controlling the issue of bank notes.</p> <p>The banking school believed that the issue of notes should be flexible to meet circumstances while the currency school believed that notes should be restricted and fully backed by gold. Bank Charter Act 1844 came down in favour of the currency school.</p>
currency swap	<p>(1) Agreement to use a certain currency in exchange for another currency under a contract.</p> <p>The tax implications are discussed in the Inspectors' Manual at BIM 39523.</p> <p>(2) Buying or selling a fixed amount of currency on the spot market, and</p>

selling or buying the same amount on the forward market.

currency unit (CU)

Term used in modern accounting standards to indicate the currency in which accounts have been prepared.

current

(1) In accounting, this term means other than **capital**. So a current account is one where the funds are readily available, unlike a capital account or deposit account.

(2) On the balance sheet, the term is also used to distinguish assets and liabilities with a life of less than 12 months, as against fixed assets or (non-current assets) and long-term liabilities (or non-current liabilities).

(3) In general use, the words "current" and "currently" simply refer to the present. If the present tense is used for the verbs, it is usually unnecessary to use the words.

current account

Bank account for day-to-day expenditure, usually where a cheque book and debit card are provided. Such accounts usually either do not accrue interest on balances or accrue interest at a low rate.

Current Account Switch Service (CASS)

Service provided by the banks, launched in September 2013. It allows an individual to change his current account from one bank to another within seven days with a minimum of fuss and inconvenience.

current address

Where a person is believed to be currently living.

For the purposes of sending copies of accounts, the current address of a shareholder is one which has been notified to the company and which the company believes is where documents sent will reach the shareholder (Companies Act 2006 s423(3)).

current affairs

Such television programmes are excluded from the scope of television production relief (Corporation Tax Act 2009 s1216AD(1)(b)).

This is defined as "any news or current affairs programme or discussion programme" (Corporation Tax Act 2009 s1216AS(2)).

current asset

In financial accounting, cash, debtors and any other asset which is expected to be consumed within the next 12 months.

International Accounting Standards define it thus:

"An entity shall classify an asset as a current asset when:

(a) it expects to realise the asset or intends to sell or consume it in its normal operating cycle,

(b) it holds the asset primarily for the purpose of trading.

(c) it expects to realise the asset within twelve months after the reporting period, or

(d) the asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period" (IAS 1 para 66).

current assets

For accounting standards, "assets of an entity which:

(a) for an entity choosing to apply paragraph 1A(1) of Schedule to the

Regulations, are not current assets; or
(b) for all other assets, are not fixed assets" (FRS 102 glossary).

current assets ratio	Accounting ratio of current assets divided by current liabilities. In general, a ratio of 2 is considered adequate, but this must always be considered against the nature of a business. A building firm probably requires a higher ratio, whereas a supermarket can manage on a lower one;
current book value	In relation to capital allowances and leases, this term is given a specific meaning in Capital Allowances Act 2001 s222B and subsequent sections.
current claim	Amount of group relief being claimed in respect of a current period (Corporation Tax Act 2010 s138).
current cost	Amount it would cost at current prices to replace an asset.
current cost accounting (CCA)	One of two methods of accounting designed to reflect inflation. The other method is current purchasing power . CCA was given effect by SSAP 16 in 1975. This accounting standard was widely ignored and finally abandoned in 1985.
current expenditure	Expenditure incurred or planned in the current accounting period.
current funding level valuation	In pensions, consideration as to whether the assets are sufficient at the valuation date to meet all current and future liabilities of the fund.
current hold notice	Notice served by HMRC on a bank which requires a sum to be paid by the bank from a taxpayer's account without reference to any court. The term is defined in Finance (No 2) Act 2015 Sch 8 para 3(4).
current income	Income regularly received, particularly of a reasonably constant amount and from a reliable source.
current lessor	In relation to anti-avoidance relating to a leased asset, "the person who is for the time being entitled to the lessor's interest under the lease" (Corporation Tax Act 2009 s937).
current liabilities	For accounting standard purposes of an entity applying paragraph 1A(1) of Schedule 1 to the [Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations [SI 2008 No 410], "liabilities of the entity which: (a) it expects to settle in its normal operating cycle; (b) it holds primarily for the purpose of trading; (c) are due to be settled within 12 months after the reporting period ends; or (d) it does not have an unconditional right to defer settlement for at least 12 months after the reporting period" (FRS 102 glossary).

current liability	<p>Liability which must be met within the next 12 months. It appears on the balance sheet, where it is the opposite to current assets.</p> <p>A liability which does not have to be met within the next 12 months is called a long-term liability.</p>
current liquidity ratio	<p>Current liabilities minus current assets divided by net profit (or sometimes cashflow) and multiplied by 365 days.</p>
current maintenance arrestment	<p>One of three types of arrestment of earnings which may be ordered by a Scottish court. The other two are earnings arrestments and conjoined arrestments. Current maintenance arrestments are ordered for arrears of child maintenance.</p> <p>The court specifies a daily amount which must be collected. This is multiplied by the number of calendar days (not working days) since the previous payslip. The employer is entitled to deduct a further £1 for himself to cover the cost of administering the arrestment.</p>
current profit	<p>Halfway house between gross profit and net profit. It comprises gross profit minus the production, administration and sales costs but without subtracting other overheads. This figure is widely used for Japanese companies.</p>
current purchasing power (CPP)	<p>Former of two systems of accounting to reflect the effects of inflation. The latter system was current cost accounting.</p> <p>CPP was introduced by SSAP 8, which was withdrawn before it came into force, making it the only SSAP that was never applied.</p>
current rate of exchange	<p>Rate of exchange for a currency which applies now.</p>
current ratio	<p>Accounting ratio, calculated as the current assets divided by current liabilities. It is now more commonly called the liquidity ratio, or sometimes working capital ratio.</p>
current service cost	<p>The increase in the value of a pension scheme's future liabilities arising from an employee's on-going membership of the pension scheme.</p> <p>The International Accounting Standard defined it as "the increase in the present value of the defined benefit obligation resulting from employee service in the current period" (IAS 19 para 8).</p>
current set of proceedings	<p>Term used in Social Security Fraud Act 2001 s7 as amended by Welfare Reform Act 2012 s119 in relation to repeated benefit fraud.</p>
current spending	<p>The yearly running costs of local authorities, not including specific grants and the cost of buying assets.</p>
current tax	<p>For accounting standards, "the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period" (FRS 102 glossary).</p> <p>For International Accounting Standards, an identical definition is given in</p>

IAS 12 para 5.

current total tax	In relation to special arrangements for collecting tax on earnings outside PAYE, this term is defined in PAYE regulations SI 2003 No 2682 s144(1).
current use value	The current value of development land. This was used in one of the three ways to calculate base value for development land tax .
current value	A method of valuing assets and liabilities which takes account of changing prices, as an alternative to historical cost (FRS 15).
current-weighted index	Weighted index where the weights change over time, such as an income index that reflects increasing prices.
current year basis (CYB)	<p>Method of determining the trading period for which a business is taxed in any particular year. CYB was introduced in 1994, prior to which the previous year basis was used. There were transitional provisions when the basis was changed.</p> <p>Under CYB, a person is subject to income tax on the profits of the trading year which ends in the tax year. So if a business makes up its accounts to 30 June, the profits subject to tax in (say) 2018/19 are the profits earned in the year to 30 June 2018.</p> <p>For all but the smallest businesses, income tax is paid in three instalments:</p> <ul style="list-style-type: none">• half the estimated income by 31 January in the tax year;• the other half of the estimated income six months later on 31 July, after the tax year (which ends on 5 April); and• any balance (or refund) on the following 31 January, when the first instalment of the next year is also due. <p>The estimated income is assumed to be the same as the actual income for the previous year, unless the taxpayer declares that the figure is likely to be significantly different.</p> <p>Special provisions apply to the opening and closing years of the business. For the first year, the business is taxed on the profits actually earned in that year. This means that some profit will be taxed in two consecutive years. This amount is called overlap relief and may be claimed when the business ceases. It can also be released by changing the accounting date.</p> <p>For the final year, profits are taxed from the end of the last basis period used to cessation of business, with the overlap relief deducted.</p>
current year	Accounting period in which the present falls.
current year income	Figure used in the income test in determining eligibility for tax credits (Tax Credits Act 2002 s7(4)).
current yield	<p>The annual return an investor would receive from investing in a specific security paying a known dividend. It is calculated as:</p> $\text{current yield} = \frac{\text{annual dividend rate} \times \text{nominal value}}{\text{price}}$ <p>It is a flat yield as opposed to the running yield.</p>

curriculum vitae (CV)	Summary of a person's details, including qualifications and work history. The plural is <i>curricula vitae</i> .
cursor	<p>A point on the computer screen identifying an icon on the screen or the point in a text or other file from which newly entered data will appear.</p> <p>A cursor is usually marked with a flashing line or block. Text typed into the computer will usually appear at the cursor.</p>
curtailment costs	Amounts paid to a new pension scheme when a defined group of staff transfer from one pension scheme to another. The costs represent the value of the pension rights accrued by the transferring staff.
curtate annuity	Annuity where payment is only made at the end of each year a person survives.
curtilage	<p>Boundary of land on which a building stands.</p> <p>All land within the curtilage is usually regarded as being part of the property with the main building, such as for council tax and capital gains tax.</p>
curve	Line on a graph which arcs. The shape of the curve can help identify the nature of the relationship between the two factors being plotted.
curvilinear	Relationship between two variables that appear as a curve if plotted on a graph.
CUS	Company's unapproved surplus. The abbreviation is used in Income and Corporation Taxes Act 1988 s444AK in relation to the taxation of mutual life assurance business.
cushion	In finance, a buffer or financial arrangement which mitigates adverse circumstances.
cushion gas	<p>Volume of gas retained in a storage facility to maintain pressure. Under Finance Act 2010 s28, cushion gas is treated as plant.</p> <p>"Gas that functions or is intended to function as plant in a particular gas storage facility" (Capital Allowances Act 2001 s70J(7)).</p> <p>Provisions relating to its disposal are set out in Capital Allowances Act 2001 s104G.</p>
CUSIP	Committee on Uniform Securities Identification Procedure.
CUSO	Credit union service organisation, US term.
Custer-paid	<p>Old colloquialism for a financial humiliation which is deserved but does not officially flow from the misconduct.</p> <p>So a fine for misconduct is not included, but publicly losing a disapproving customer is included.</p>
custodian	Person who looks after something or someone. In finance, the term often means a trustee who looks after assets but who may not have other trustee

responsibilities.

- custodian institution** Financial institution that holds securities and other assets, providing a safe-keeping and record-keeping service.
- Custodian of Enemy Property** Person who held property belonging to enemies and enemy aliens during war. There are still extant laws that refer to this office (such as Trading With The Enemy (Foreign Currency Accounts) Order SI 1944 No 915 which appears not to have been repealed. The office of Custodian was abolished in 1988 by which time all such property considered restorable had been restored.
- custody order** In Scots law, "now known as a 'residence order' by which a court states with whom a child will live" (Judiciary of Scotland website glossary).
- custom** (1) Habit which has become so established that it takes on the force of law. It was the original form of law and, at least in theory, any custom that dates from before 1189 can still be argued as law if strict conditions are met.
Custom may be quoted as extrinsic evidence in defining the terms of a contract. In the case *Hutton v Warren [1836]*, a court accepted the custom that a tenant farmer may claim a fair allowance for seeds and labour when given notice to quit.
(2) Practice of using a particular shop for purchases.
- customary payment** Payment that a person is not legally required to make, but usually does so. The term is particularly used in the inspectors' manual at EIM00640 in relation to payments made in employment. A customary payment is taxed on the same basis as a contractual payment.
- customer** Person who buys goods or services from someone in the course of their trade. HMRC has started to refer to taxpayers as customers, even though they have no choice to take their "custom" elsewhere.
In relation to corporation tax for banks, a specific definition is given in Corporation Tax Act 2009 s133J as inserted by Finance (No 2) Act 2015 s18.
The term is given a specific meaning in other Acts, such as Dormant Bank and Building Society Accounts Act 2008 s1(1)(a).
- customer accounting record (CAR)** Record of a taxpayer held by HMRC in its **SAFE** accounting system.
- customer co-ordinator service** Service provided by HMRC to large businesses. The service includes having a **customer relationship manager**.
- customer lottery** Lottery where a free ticket is given to retail customers, one of whom periodically wins a prize (Gambling Act 2005 Sch 11 para 20). Such a lottery is exempt from most provisions of the Act.
- customer migration** Term used by HMRC in relation to the act of moving taxpayers and benefit claimants from one scheme to another. The term was particularly used from 2012 in relation to moving various means-tested benefit claimants to

universal credit.

customer-nominated contact (CNC)

Term used by HMRC in relation to its **Scheme Reconciliation Service** in the period before the abolition of contracted-out pension schemes in April 2016.

customer organisation representative (COR)

Term used by HMRC with regard to its **Scheme Reconciliation Service** in the period before the abolition of contracted-out pension schemes in April 2016.

customer relationship management (CRM)

Manner in which a business deals with its relationships with its customers. This includes processing orders, dealing with complaints, and monitoring sales. There is specialist CRM software.

customer service

Department in a business designed to answer questions from customers, such as expediting orders or answering technical questions.

customer suspense account

Part of the **customer accounting record** held by HMRC on every taxpayer. It allows unallocated payments to be held.

customers' collection period

Average number of days credit taken by customers.

custom-house

Place at a port where customs duties were paid.

customise

Change something to fit a person's specific needs.

customised repayment claim forms

Specially designed form produced by a tax agent to make a claim for a tax refund for a client. From 27 August 2015, such forms must meet strict standards set by HMRC.

customize menu

In computing, an option which allows the user to define some basic functions of the computer.

Customs Action Code (CAC)

Code which indicates the action taken by Customs on either an entry or a request for removal.

Customs Action Text

Expanded description of **Customs Action Code**.

Customs agent

A person appointed to deal with import duty for another person (Taxation (Cross-border Trade) Act 2018 s21(1)). Such an agent may be a **direct agent** or an **indirect agent**.

Customs and Excise

Body which collected indirect taxes and performed other duties until merged into HMRC in 2005.

customs and excise acts

"means the Customs and Excise Acts 1979 and any other enactment for the time being in force relating to customs or excise" (Customs and Excise

Management Act 1979 s1(1)).

Customs and Excise Acts 1979 “Means-
this Act,
the Customs and Excise Duties (General Reliefs) Act 1979,
the Alcoholic Liquor Duties Act 1979,
the Hydrocarbon Oil Duties Act 1979,
the Tobacco Products Duty Act 1979”
(Customs and Excise Management Act 1979 s1(1)).

customs and excise airport “An aerodrome for the time being designated as a place for the landing or departure of aircraft for the purposes of the customs and excise Acts by an order made by the Secretary of State with the concurrence of the Commissioners which is in force under an Order in Council made in pursuance of section 60 of the Civil Aviation Authority Act 1982” (Customs and Excise Management Act 1979 s21(7)).

Customs and Excise Warehouse

A warehouse separately approved for the deposit of goods liable to customs duty and excise duty.

Customs Approved Treatment Or Use

The placing of goods under a customs procedure; their entry into a free zone; their re-exportation from the customs territory of the European Union (EU); their destruction or their abandonment to the Exchequer.

customs barrier Customs duty which is imposed with the intention of making trade between two countries difficult.

customs broker Person who takes goods through Customs for a shipping company.

customs clearance Passing goods through Customs on import or export, or a document which states that they have been properly passed.

Customs Comprehensive Guarantee (CCG)

Customs decision made under the **Union Customs Code** from 1 May 2016.

It is an amount backed by a bank (or similar body) guarantee for the payment of customs duties. Businesses with previous similar arrangements may continue with those arrangements until 30 April 2019 at the latest.

Customs control

Certain rights of HMRC to ensure that Customs rules are being applied properly. These rights include examining the goods, examining documents and accounts, inspecting means of transport, and inspecting persons accompanying the goods and any of their luggage.

customs declaration Statement saying what goods have been imported and what duty is payable on them.

Customs Declaration Service (CDS)

A system of electronically handling **customs declarations** by importers and

exporters. It is being phased in between August 2018 and early 2019, when it replaces **CHIEF**.

customs duties

Tax charged on imports (and, at least in theory, on exports). It was originally imposed in 1055 and is still imposed, making it Britain's oldest tax.

It was originally collected in a kind, such as by a "take" of one cask from each ten in the cargo. By 11th century this was already regarded as a "custom", hence its name. This mirrored similar duties sometimes charged to merchants at city gates. The first system to establish customs duties on all goods was imposed by King John in 1202 at the rate of one fifteenth. It was extended to all merchants in 1204, and briefly abandoned between 1207 and 1210 to allow free trade between Britain and France. Local customs duties persisted until 1274.

The success of income tax's reintroduction in 1842 led to the reduction or abolition of duties on glass, vinegar, currants, coffee and wool. In 1860, all duties were abolished but 14: spirits, sugar, tea, tobacco, wine, coffee, cocoa, currants, timber, chicory, figs, hops, pepper and raisins.

Currently, the tax is charged on goods imported to the UK from outside the European Union. In theory, these duties can also be imposed on exports. No duties are imposed on imported *services* except to the extent that the price for those services is included in the price of tangible goods.

The administration of customs duties also acts as a check on preventing **prohibited goods** entering the country.

The duty is charged at the point of importation, usually a port or airport. There are relaxations for **free zones** and **customs warehouses**.

Calculation of the duties involves classifying the goods and identifying the country of export from volumes of tables. This is known as the **Customs Tariff**.

Customs Duty

A tax charged on goods imported into the European Union (EU). It is based on the value of the imported goods (see - Ad Valorem duty) and the description of the goods. Remember that imported goods may be liable to other charges, such as Anti-Dumping Duty (ADD) or Common Agricultural Policy (CAP) charges. They may also be liable to Excise Duty and VAT.

Customs entry point

Place at a border between two countries where goods are checked.

Customs examination

Inspection of baggage by a Customs officer to see if it contains any prohibited goods or items on which duty should be paid.

Customs formalities

General term for all Customs procedures when exporting or importing goods.

Customs Hotline

Number that can be called to inform Customs of suspected smuggling or tax fraud. The number is 0800 595 000. It is open for 24 hours a day on every day. Information may also be passed on the website www.hmrc.gov.uk/customs-hotline, or by writing to Customs Hotline, Freepost SEA 939, PO Box 100, Gravesend, Kent DA12 2BR, or by faxing to 0800 528 0506, or e-mailing to customs.hotline@hmrc.gsi.gov.uk.

Customs Inputting the Declaration (CIE)

One of the methods by which export data are passed to Customs via **CHIEF**. This is the slowest and least preferred method.

Customs invoice

Invoice issued by an exporter of goods to a country outside the European Union, where the invoice complies with Customs' requirements.

custom-shrunk

Term used by Shakespeare to mean having fewer customers.

Customs News

Publication briefly produced by Customs and Excise in 1995. It was replaced by *Business News* which has itself been replaced by other publications.

Customs officer

Employee of the relevant department of HMRC, particularly one who has investigative powers.

Customs procedure

One of the outcomes for imported goods presented to Customs. By far, the most common procedure is **release for free circulation (RFC)** which means that the duties have been paid and the imported goods may be used in the UK as the importer wishes.

The full list of Customs procedures are:

- release for free circulation;
- transit (to another destination);
- **Customs warehousing;**
- **inward processing;**
- **outward processing;**
- processing under Customs control;
- temporary importation; or
- exportation.

Such a procedure follows a decision by Customs regarding their treatment or use. Alternative treatments are entry into a free zone or warehouse, re-export, destruction or abandonment to the Exchequer.

Customs Procedure Code (CPC)

Six-digit Code used to describe the purpose of goods being exported or imported. The full list of CPCs is given in the Customs Tariff Volume 3.

Customs procedure with economic impact (CPEI)

Blanket term describing a number of Customs procedures which are specifically designed to aid European Union (EU) companies. The procedures involved are Customs Warehousing; Free Zones; Inward Processing Relief (IPR); Outward Processing Relief (OPR); Processing under Customs Control (PCC); and Temporary Import Relief (TI).

Customs procedure with economic impact

Term for some of the **Customs procedures** which may be followed when imported goods are presented by the importer.

The relevant procedures are:

- **Customs warehousing;**
- **inward processing;**
- **outward processing;**

- processing under Customs control;
- temporary importation; or
- exportation.

Customs Registered Number A unique 5 digit number assigned by HM Customs and Excise to an exporter or agent approved to use one or more of the following export procedures: **Simplified Clearance Procedure (SCP)**; **Local Export Control (LEC)** and **Period Entry**.

Customs Release The approval given by Customs that authorises a transit shed operator to deliver goods from the transit shed subject to such conditions the Commissioners may impose.

Customs restricted until Endorsement that appears on the registration document of certain vehicles that have been imported under schemes that do not require their immediate registration on import. The endorsement gives the date which is the earlier of when any VAT and duty has been paid and one year after importation. An unendorsed document can then be issued.

Customs seal Seal attached by a Customs officer to a box or other container to indicate that it has passed through Customs.

Customs Statistical Reference (CSR)

Code which identifies both the type of export consignment and the type of documentation that goes with the consignment.

Customs Tariff

Set of volumes used to calculate **customs duties** on goods imported into the UK from outside the European Union.

The calculation considers the nature of goods, the country of origin and their value.

Once the UK has left the European Union, the tariff is provided by Treasury regulations under Taxation (Cross-border Trade) Act 2018 s8.

Customs Union

Group of countries which agree not to charge customs duties or other import taxes on each other's products.

Various such unions have been formed. The most important is the **European Union**. In 1992, it was agreed that member states would abolish all remaining duties for other member states. This also includes imports to and from Iceland, Liechtenstein and Norway. Under the Ankara agreement (1995), customs duties are also not imposed on imports from Turkey.

Customs Union

The Customs Territories of the European Union (EU), Turkey, San Marino and Andorra. The unions between the European Union and these countries enable most goods in free circulation to move freely between them without the need to claim import duty relief; subject to the production of any necessary preference or Community Transit (CT) documentation. VAT is still due on imports from Turkey; San Marino and Andorra, however, unless the goods are eligible for relief.

A definition of a customs union is given in article 24 of the General

Agreement of Tariffs and Trade.

Customs value

The value of imported goods for customs purposes. It is usually the **transaction value**.

Customs warehouse

A place approved by HMRC for the storage of goods without payment of import duty. Import VAT is also suspended during storage of warehoused goods. There are several different types of Customs warehouse. While most approvals are for specific locations, in some cases approval can be given to a company and its commercial accounting and stock control systems. In these cases the approval is not linked to a specific location.

One of the **Customs procedures** which may be applied to imported goods is **Customs warehouse**. This is where goods are placed in a Customs warehouse.

There are two types of Customs warehouses: private and public. A private warehouse may only be used for goods belonging to the warehouse keeper, whereas a public warehouse may be used by anyone.

Customs warehousing

One of the **Customs procedures** which may be applied when goods are presented to Customs on importation.

A **Customs warehouse** is any store approved by Customs and under their control. Goods remain in the warehouse until assigned another Customs procedure.

custos rotulorum

Latin: keeper of the rolls.

cut

- (1) Reduction in amount, such as in pay or prices.
- (2) Share of proceeds.

cut and shut

Vehicle created from welding together two pieces of written off vehicles. This is not illegal, though such vehicles often have their nature concealed and can be dangerous if the work is not done properly. Such a vehicle is usually allocated a number plate starting Q (if DVLA knows about it).

cut a new bill of lading

Expression sometimes used when it is necessary to use two vessels to remove goods from a dock, particularly when the dock is too shallow to accommodate an ocean-going vessel.

cutback

Reduction in expenditure, particularly one achieved by discontinuing services.

Strictly this term is tautological as it is not possible to cut forward to increase anything. However the word "cutback" for "cut" has now become established.

cut money

Early coin formed by cutting other coins, such as cutting a silver penny into half or quarter to make a halfpenny or farthing.

cut-off

Date or other point when something must cease. For a date, the term "cut-off point" is sometimes used.

cut-off point	Term used by Office of Tax Simplification to indicate the “psychological cost” of tax complexity, namely that a taxpayer or claimant simply loses the will to continue completing a form to obtain an entitlement or relief when that form is unduly long or keeps asking questions to which HMRC already knows the answer.
cut-off procedures	Procedures applied to the accounting records at the end of an accounting period to ensure that all transactions for the period are recorded and any transactions not relevant to the period are excluded.
cut off with a shilling	Old term that means disinherited. Traditionally, the testator would leave this coin to demonstrate that a person had not been forgotten, and therefore had less basis to challenge the will. The expression subsequently evolved to “cut off <i>without</i> a shilling” to mean being treated even worse.
cut-throat defence	In criminal law (including tax prosecutions), a defence used by two or more defendants that another defendant was responsible for the alleged offence.
Cutter's law	Not to see a person in want while you have money to spend.
cutting	Area where land has been cut away. For capital allowances, this is specifically excluded from the scope of plant and machinery (Capital Allowances Act 2001 s22(1) List B).
cuvée	French term for a vat of blended wine of uniform quality.
CV	(1) Curriculum vitae. (2) For embedded derivatives, the carrying value as defined in Corporation Tax Act 2009 s671(4). (3) Closing value of an individual's rights in a pension fund, as defined in the formula in Finance Act 2004 s222(4).
CVA	(1) Company Voluntary Arrangement. (2) Cerebrovascular accident. Common abbreviation for sick notes (HMRC leaflet E14).
CVC	Certificate of Veterinary Clearance, a document issued by the official Veterinary Officer at a Border Inspection Post (BIP) controlling Products Of Animal Origin (POAO) and live animals entering the European Union (EU).
CVE	ISO code for Cape Verde escudo.
CVED	Common Veterinary Entry Document.
CV-Library	Database established in 2000 that holds millions of CVs for job applicants.
CVM	Comissão de Valores Mobiliarios , the Brazilian regulator for securities.
CVP	Cost-volume-profit , a management accounting analytical tool.

CVS	Corporate venturing scheme.
CVV code	Three-digit code that appears on the back of debit and credit cards.
CW	Customs warehousing.
CWA	Chemical Weapons Authority.
CWC	Chemical Weapons Convention.
CW D	Customs warehouse type D.
cwmni	Welsh: company.
cwmni buddiant cymunedol (CBC)	Welsh: community interest company.
cwmni buddiant cymunedol cuhoeddus cyfyngedig	Welsh: community interest public limited company.
cwmni buddsoddi a chyfalaf newidiol	Welsh: investment company with variable capital.
cwmni buddsoddiant penagored	Welsh: open-ended investment company.
cwmni cyfyngedig Cyhoeddus (ccc)	Welsh: public limited company.
cwmni RTM cyfyngedig	Welsh: right to manage company.
cwt	Hundredweight , an imperial unit of weight equal to 112 pounds or 8 stone. There are 20 hundredweight to a ton . A hundredweight is the equivalent to 50.802 kilograms.
CWTS	Central Warrants Trading System.
cycle complet d'operations	Concept used in France and French-speaking countries to determine the tax liability of non-resident companies.
cycle to work	Various incentives to encourage employees to cycle to work. These include tax exemptions for use of bicycle, showers and changing rooms and the cost of breakfast.
CY	Country prefix code for Cyprus.
cybersmear	Use of a website, chat room, bulletin board or other Internet-based facility to express negative opinions.

cybersquatting	Practice of holding an Internet domain name as a means of extracting payment from a business that wishes to use that name.
cycles	The term is used to mean bicycles in Income Tax (Earnings And Pensions) Act 2003 s244.
cyclical deficit	<p>One of the two elements of the Budget deficit. The other is the structural deficit.</p> <p>HM Treasury glossary says that cyclical deficit “occurs as a result of a downturn in economic activity when tax receipts fall and spending on social security increases. It can be subsequently eliminated by a period of economic growth”.</p>
cyclist	<p>A cyclist may retire on a personal pension at the age of 35, provided:</p> <ul style="list-style-type: none">• the person had the right by 5 April 2006,• the right was unqualified in that it needed no other person to consent,• the right was set out in the governing documentation of the pension scheme by 10 December 2003. <p>(SI 2005 No 3451, as explained in the Inspector's Manual at RPSM 03106035).</p>
cyclist's breakfast	<p>Tax relief provided between 2002 and 2013.</p> <p>The basic provision was that if someone cycled to work and the employer was prepared to cook him or her breakfast, no tax would be charged on the cost. This was provided in SI 2002 No 205. The breakfast could be provided up to six times a year. The ingredients for a hearty breakfast cost about 40p, so the tax saved was 8p per breakfast or 48p a year.</p> <p>As this did not exactly cause shops to sell out of toasters and frying pans, SI 2003 No 1434 removed the limit of six times a year.</p> <p>With toasters and frying pans still obstinately not selling out, SI 2004 No 3087 extended the scope from employees to all workers.</p> <p>From 6 April 2013, this relief was repealed.</p>
cyf	<p>Cyfyngedig, Welsh for “limited”.</p> <p>A limited company which is not a public limited company and is registered in Wales must put either “ltd” or “cyf” after its name unless exempted (Companies Act 2006 s59(2)).</p>
cylinder	<p>For VAT, the supply of a gas cylinder is standard-rated and does not come within the scope of the reduced rate for domestic fuel.</p> <p>When a cylinder is refilled with reduced-rate gas, the supply may come within the scope of reduced rating. Further details are given in VAT notice 701/19.</p>
Cyllid a Thollau Ei Mawrhydi	Welsh name for Her Majesty's Revenue and Customs (Commissioners for Revenue and Customs Act 2005 s4(2)).
Cymru	<p>Welsh: Welsh.</p> <p>Tax codes for Welsh residents are prefixed with C for Cymru.</p>

cy-près	<p>French: so near. Used in English as a term of charity law.</p> <p>This is the requirement that where a donation cannot be used for the stated charitable purpose, it shall be applied for a charitable purpose as near as possible to that intended.</p> <p>The law is contained in Charities Act 2011 from s61.</p>
Cyprus	<p>European state. Member of the European Union, for which purpose the territory includes the British sovereign base areas of Akrotiri and Dhekelia. It excludes the United Nations buffer zone, and parts of Cyprus to the north of the buffer zone where the Republic does not exercise effective control.</p> <p>Its currency is the euro.</p> <p>The UK has a double taxation convention of 2018, effective from 18 July 2018, which replaces one of 1974, amended by a protocol of 1980.</p>
Cyprus construction	<p>Tax-advantaged system that operated in Cyprus until 1985. It was used by Dutch companies to engage staff to work in the Middle East and pay tax at a maximum rate of 6%. It exploited a provision in a Dutch double taxation treaty.</p>
cyfrif	<p>Welsh: account.</p>
cyfrifydd	<p>Welsh: accountant.</p>
CZ	<p>Country prefix code for Czech Republic.</p>
Czech Republic	<p>European state created from Czechoslovakia in 1992. It is a member of the European Union. Its currency is the koruna of 100 haleru. The UK has a double taxation convention of 1990.</p>
Czechoslovakia	<p>Eastern European country that peacefully split into two countries in 1992: Czech Republic and Slovakia. Both are members of the eu.</p>
CZK	<p>ISO code for Czech Republic koruna.</p>