



Leach's Tax Dictionary

Provided by Tax Training Ltd.

www.taxtrainingltd.co

020 8224 5695.

October 2018

Please read the Preface and Fair Use Dealing. Neither the compiler nor the company can accept any liability for any loss occasioned by using this dictionary. © Robert Leach 2003-2018 and licensed to Tax Training Ltd.

E

E

Council tax

For council tax, the band immediately above the average band. It applies for properties with these values:

- in England, between £88,001 and £120,000 in 1993
- in Wales, between £100,001 and £135,000 from 1 April 2005, and between £66,001 and £90,000 before
- in Scotland, between £58,001 and £80,000 in 1993.

A property in band E attracts council tax at 11/9 of the rate for an average band D property.

National insurance

National insurance contribution letter for a married woman eligible to pay reduced rates and who is a member of a contracted-out salary-related pension scheme. This letter is no longer used from 6 April 2016.

Company cars

From 6 April 2011, the P11D code for company cars that have electric engines or otherwise have zero carbon dioxide emissions. Before 6 April 2011, the code referred to electric cars only.

Vehicle excise duty

Rate band for vehicles with emissions between 131 and 140 gm/km.

Inheritance tax

For the purposes of **residence nil-rate band**, “the value of a person’s estate immediately before the person’s death” (Inheritance Tax Act 1984 s8D(5)(d) as inserted by Finance (No 2) Act 2015 s9(4)).

Full Payment Supplement form

Indicator in the “Number of hours worked” box that the employee does not have a regular pattern of hours worked, or that the payment relates to an occupational pension or annuity.

Reason for lateness in submitting an FPS or EPS for a tax month

The reason is that the employer was a micro-employer using the relaxation in the "on or before" rule. This reason may not be used after 5 April 2016.

Other meanings

- (1) Symbol on a calculator denoting an error.
- (2) Old Roman numeral for 250.
- (3) **CFI code** for **equity**.
- (4) For **pool betting duty**, the total of expenses and profits.
- (5) In **hexadecimal notation**, the number 14.
- (6) Employer. This abbreviation is used in Finance Act 2004 s196B.
- (7) Abbreviation: lilangeni, currency of Swaziland.
- (8) Expenditure, as in Corporation Tax Act 2009 s1200.
- (9) Qualifying expenditure for additional deduction for television tax relief (Corporation Tax Act 2009 s1216CG).
- (10) Figure used to calculate additional deduction for video games tax relief in Corporation Tax Act 2009 s1217CG(1).

e	In mathematics, a base used for natural logarithms. The number cannot be precisely stated, but approximates to 2.7182818.
e-	Prefix indicating an electronic equivalent of a non-electronic document or activity, such as e-mail or e-filing.
££ or £E	Abbreviation: Egyptian pound.
E1	Term used in formula in Corporation Tax Act 2010 s356JK(5).
E2	Term used in formula in Corporation Tax Act 2010 s356JK(5).
E85	Mixture of 85% bio-ethanol and 15% unleaded petrol . From 6 April 2008, a company car which can run on E85 attracted a further two percentage points in the percentage used to calculate the fuel benefit tax charge for the employee. An E85 car was indicated as type G on form P46(car) .
E101	Certificate once issued to individuals travelling to another EU country. It demonstrates that the individual is paying national insurance in the UK and therefore is not liable in the host country. From 1 May 2010, the form is replaced by the A1 form , though E101 forms issued before 1 May 2010 remain valid until their expiry date.
E&A	Exploration and appraisal, in oil and gas industry.
E&A activities	"Means oil and gas exploration and appraisal in the United Kingdom or an area designated by Order in Council under section 1(7) of the Continental Shelf Act 1964" (Taxation of Capital Gains Act 1992 s198J(7) as inserted by Finance Act 2014 s71(1)).
E&A company	"Means a company which carries on E&A activities and does not carry on a ring fence trade (Taxation of Capital Gains Act 1992 s198J(7) as inserted by

Finance Act 2014 s71(1)).

Eady levy

Tax on box office receipts from showing films, charged between 1957 and 1985. It was introduced on a non-statutory basis from 1950, though Finance Act 1950 made necessary changes in the entertainments tax.

It was named after Sir Wilfred Eady, a British Treasury official (1890-1962).

The proceeds were used to fund film making in the UK. The levy avoided restrictions under GATT on providing direct government subsidy.

The levy was collected by HM Customs and Excise (now part of HMRC) and administered by the British Film Fund Agency. It led to the growth of British films in the 1960s, most notably the lavish James Bond films. At least 85% of the film had to be shot in the UK or British Commonwealth. All but three salaries had to be paid to British individuals.

The levy was abolished in 1985 when it was regarded as subsidising distributors rather than film makers. There is still tax relief for making a **British film**.

E&A expenditure

“Means expenditure on **E&A activities** which is treated as such under generally accepted accounting practice (Taxation of Capital Gains Act 1992 s198J(7) as inserted by Finance Act 2014 s71(1)).

E&B

Ellis and Blackburn's Reports, law reports of the Queen's Bench of the High Court from 1851 to 1858.

E&F

Error and Fraud. Term used in setting targets for tax credit management.

EA

(1) Environment Agency.
(2) Education Act (such as 1996, 2002 or 2005).

ea

Abbreviation: each.

EAA

European Accounting Association.

each way

In investing, commission earned by a broker on both the sale and purchase of a security.

In betting, a bet which pays out if the horse (or equivalent) comes in second or third, depending on how many horses there are in the race.

Eadred

King of England from 946 to 955 AD.

EAEC

European Atomic Energy Community.

EAGGF

European Agricultural Guidance and Guarantee Fund.

eagle

Gold coin of the USA minted since 1705 with a face value of ten dollars.

EAIG

Prefix for HMRC's tax manual on excise assessments interim guidance.

earlier disqualifying event	<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> <p>This offence is committed if a fraud is perpetrated within five years of the earlier disqualifying event.</p>
earlier hold notice	<p>Hold notice issued before a current hold notice. This reduces the safeguarded amount in a taxpayer's bank account to zero, which means that HMRC may seize the whole balance without reference to a court. The provisions are contained in Finance (No 2) Act 2015 Sch 8 para 4(7).</p>
earlier sale	<p>For Customs duty, a provision that allows a previous sale to be used as the basis for valuation provided that sale was intended for a country in the European Union. This provision is being phased out by the end of 2017 as explained in Customs Information Paper 41.</p>
earlier tax calculation currency	<p>"The tax calculation currency of the company in the accounting period to which the carried-back amount is to be carried back" (Corporation Tax Act 2010 s12(3)).</p>
Earlier Year Update (EYU)	<p>A submission made under Real Time Information for PAYE payments when either:</p> <ul style="list-style-type: none">• the employer corrects data already submitted to HMRC, or• the employer failed to make a Full Payment Submission for the previous tax year.
earliest lawful termination date	<p>In relation to taxation of employment termination pay, "is the last day of the period which —</p> <ul style="list-style-type: none">(a) is equal in length to the minimum notice, and(b) begins at the trigger date."<p>(Income Tax (Earnings and Pensions) Act 2003 s402E(7)).</p>
Earl of Oxford's case	<p>Court case from 1615 which established that the principles of equity prevail over common law.</p>
early bargains	<p>In trading securities, a deal which is agreed before the relevant exchange has officially opened for business.</p>
early childhood services	<p>Term used in Childcare Act 2006 s2. It means various provisions to assist the parent of a young child up to the age of four.</p>
early closing day	<p>An old requirement that shops must close early one day a week to provide rest for shopworkers.</p> <p>Under Shops Act 1950, the local authority determined the day. Under Shops (Early Closing Days) Act 1965, the shopkeeper determined the early closing day. This requirement for early closing was repealed from 1 December 1994.</p>

early conciliation (EC)	Service provided by ACAS as evidenced by an early conciliation certificate .
early conciliation certificate	Certificate issued by ACAS. From 6 April 2014, a case may only be brought to an employment tribunal if such a certificate has been issued.
early departure payment	Payment made to a member of the armed forces. It is specifically excluded from liability to class 1 national insurance under National Insurance Contributions Act 2013.
early exercise	Provision in an option which allows the owner to exercise it at any time before its expiration date.
early leaver	<p>Someone who leaves an employment before retirement. The term is often used in connection with rights under an occupational pension scheme.</p> <p>An early leaver may leave their accrued benefits in the scheme and become a deferred member. This means that the deferred member will receive a pension based on those contributions when the member eventually retires, in addition to any other pensions.</p> <p>Alternatively, the early leaver may transfer the benefits to another pension scheme, such as one run by the new employer. This is usually done by calculating a figure for "years' service". If the two schemes are identical in benefits provided, <i>n</i> years' service in one scheme should buy <i>n</i> years' service in the new scheme. If there are differences, the transfer may result in more or fewer years' service.</p> <p>If an employee leaves within two years of joining the scheme, there is a third alternative of having a refund of the employees' contributions less 20% income tax. No sum is refunded in respect of the employer's contributions.</p>
early redemption	Redeeming a mortgage or policy earlier than the agreed date. Most such policies impose a financial penalty for doing so or offer a lower return.
early redemption charge	Charge made by a lender if a loan is paid off early.
early retirement	Retirement before normal age; usually as a way of making older employees redundant.
early step	<p>Term used in relation to national insurance and disguised remuneration.</p> <p>This broadly exempts from class 1 national insurance payments made between 9 December 2010 and 5 April 2011 (Social Security (Contributions) (Amendment No 5) Regulations 2011).</p>
early tax year	<p>"In relation to an individual carrying on a trade:</p> <ul style="list-style-type: none">(a) the tax year in which the individual first started to carry on the trade,(b) one of the next 3 tax years" (Income Tax Act 2007 s112(6).
early withdrawal	Removal of funds before the due date.
early withdrawal penalty	Charge imposed on holders of a fixed term investment if they withdraw before the set maturity date.

early years assistance	Money or other assistance that may be provided in Scotland under Social Security (Scotland) Act 2018 s32.
Early Years Foundation Stage	Requirements for learning and development requirements and welfare requirements for young children (Childcare Act 2006 s39).
early years register	Register kept of everyone who provides early childhood service (Childcare Act 2006 s32(2)).
earmarked deferred remuneration	Term used in relation to disguised remuneration (Income Tax (Earnings And Pensions) Act 2003 s554H(5)).
earmarked reserves	Money set aside for a specific purpose, such as for a specific objective by a charity or other non-commercial body. The term more generally used is designated funds .
earmarking	Allocating an asset, particularly for an employee under disguised remuneration . The tax provisions are set out in Income Tax (Earnings And Pensions) Act 2003 s554Z18. The term has many other meanings, including setting aside part of a pension fund for a divorce settlement.
EARN	Euro Area Reference Note.
earn	Acquire funds by working.
Earn Back Model (EBM)	Scheme for local authority investment first tried in Manchester, and supported by government from 2015/16 under 2012 Budget.
earned income	Income which is regarded as neither tax-free nor unearned for the purposes of income tax. This distinction has become of little importance since the abolition of investment income surcharge on 6 April 1984. Earned income includes salaries, trading profits, income-replacement benefits and similar items.
earned premium	The portion of an insurance premium for which protection has already been provided by the insurer.
earner	For national insurance, someone who has earnings (Social Security Contributions and Benefits Act 1992 s3(1)(b)).
earnest	In trading, a term sometimes used to describe an initial payment by a buyer to seller to show commitment to a contract.
earning asset	Asset that produces an income.
earning capacity	Amount a person is capable of earning.

earning potential	Amount a person has the potential of earning.
earning power	Amount a person should be able to earn.
earnings	Total income of a person. For national insurance, "includes any remuneration or profit derived from employment" (Social Security Contributions and Benefits Act 1992 s3(1)).
earnings arrestment	One of three forms of arrestment of earnings which may be awarded by a Scottish court. The other two are current maintenance arrestment and conjoined arrestment. The court states a total amount to be collected. Tables are produced determining how much must be collected from each payslip until the total has been reached. The employer is entitled to deduct a further £1 for himself to cover the administrative costs.
earnings before interest, taxes, depreciation and amortisation (EBITDA)	Earnings generated by a business's operations. EBITDA is a halfway house between gross profit and net profit. It can indicate the underlying fundamentals of how a business is trading. In practice, EBITDA is sometimes used by commentators to represent a net loss as a form of profit by excluding costs which are properly the responsibility of the business.
earnings cap	From 1989 to 2006 there is an upper limit on the amount of salary that can be taken into account when calculating pensions arising from and contributions payable under an approved arrangement.
earnings charged on receipt	Income from employment that becomes taxable when received (Income Tax (Earnings And Pensions) Act 2003 s335).
earnings charged on remittance	Income from employment that becomes taxable when remitted (Income Tax (Earnings And Pensions) Act 2003 s335).
earnings condition	One of two conditions that must be met for a claimant to receive a budgeting advance while claiming universal credit. This condition places an upper limit on income received in the previous six months. The other condition is the recovery condition .
earnings factor (EF)	Figure used to determine eligibility for contributory social security benefits. It is broadly the earnings on which classes 1, 2 or 3 have been paid or are treated as having been paid. For class 1 only earnings up to the upper earnings limit are counted. (Social Security Contributions and Benefits Act 1992 s22).
earnings for ordinary shareholders	Profit after deducting interest charges and taxation and after deducting preference dividends (but before deducting extraordinary items).

earnings limits	For national insurance, the lower earnings limit, primary threshold, upper earnings limit and secondary threshold (Social Security Contributions and Benefits Act 1992 s5(1)).
earnings-only exemption	“Means an exemption from income tax, which — (a) prevents liability to tax arising in respect of earnings, either by virtue of one or more particular provisions (such as a Chapter of the benefits code) or at all, and (b) does not prevent liability to tax arising in respect of other employment income” (Income Tax (Earnings And Pensions) Act 2003 s227(2)).
earnings or amounts treated as earnings	Term used in Finance Act 1969 s58 which relates to the calculation of statistics by HMRC. This section allows HMRC to disclose these figures to other government bodies to allow statistics to be compiled.
earnings per share	The amount of net profit earned by the company for each issued ordinary share. It is calculated as earnings for ordinary shareholders divided by the number of shares which have been issued by the company.
earnings performance	Way of viewing the dividends earned by shares.
earnings related	Description of anything which is related to a person's earnings, such as a final salary pension or a social security benefit.
earnings-related supplement	An addition to unemployment benefit and some other social security benefits paid before 3 January 1982 if a claimant's previous income had been sufficiently high. There was a short transitional period to 30 June 1982 where entitlement had arisen before 6 April 1980.
earnings replacement	Social security benefit which is designed to replace income, such as jobseeker's allowance or statutory maternity pay.
earnings retained	Another term for retained profit , though possibly more precise. It refers to the amount of net profit after dividends and taxation which a company keeps to fund further trading activities.
earnings threshold	Amount of earnings above which an employee and employer become liable to pay class 1 national insurance.
earnings yield	Money earned as dividends per share expressed as a percentage of the share's current market price.
earnings-related pension	“A pension computed by reference to a rate of emoluments (whether actual emoluments or not) or payable at alternative rates one of which is so computed, and includes a derivate pension computed by reference to the rate of an earnings-related pension” (Pensions (Increase) Act 1971 s17(1)).

earn-out	Financial arrangement allowing a business founder to use the business's profits to buy out an outside investor.
earn-out agreement	<p>Method of paying for the acquisition of a business where part of the price depends on future performance.</p> <p>Typically such an agreement comprises an amount paid on acquisition with a further sum if a defined condition is met. This usually relates to profits or sales for an initial period, often three years. Such arrangements are most common in businesses which depend on people rather than fixed assets, such as advertising agencies.</p>
earn-out right	<p>Right of an individual, particularly a director, to earn additional shares or securities in a company.</p> <p>The capital gains tax implications are given in Taxation of Capital Gains Act 1992 s138A.</p>
ear stroking	Colloquial expression for when the government lets financial institutions know what it would like them to do, without requiring them to do it.
EAS	<p>(1) Employment Alignment Submission.</p> <p>(2) Enterprise Allowance Scheme.</p>
EASDAQ	European Association of Securities Dealers Automated Quotation.
ease	Become less tight. In financial terms, this usually means a small reduction.
easement	Right enjoyed by the owner of land to a benefit from other land.
Easter	<p>Christian festival commemorating the resurrection of Jesus Christ.</p> <p>It can fall on any Sunday between 22 March and 25 April depending on the phase of the moon, based on the practice of the Jewish Passover. This was adopted by the Church in 325 AD.</p> <p>Easter Day is not a bank holiday, though large shops are not allowed to open on that day (Sunday Trading Act 1994 Sch 1 para 2).</p> <p>The following day, Easter Monday and two days earlier, Good Friday, are both bank holidays.</p> <p>The law determining the date is: "According to the rule prefixed to the Book of Common Prayer of the Church of England Easter-Day is always the first Sunday after the first full moon which happens next after the one and twentieth day of March, and if the full moon happens upon a Sunday Easter-Day is the Sunday after, which rule was made in conformity to the decrees of the said council of Nice for the celebration of the said feast of Easter" (Calendar (New Style) Act 1750 s3).</p> <p>From 1752 the date of 21 March is determined by reference to the Gregorian calendar.</p> <p>Under Easter Act 1928, Easter changes to the first Sunday after the second Saturday in April. This date is to be adopted when all churches agree. So far they have not done so (making this the oldest uncommenced Act) and are not expected to do so.</p>

Eastern Region	For purposes such as national insurance holiday , “means: (a) the counties of Bedford, Cambridgeshire, Central Bedfordshire, Essex, Hertfordshire, Norfolk and Suffolk, and (b) the non-metropolitan districts of Luton, Peterborough, Southend-on-Sea and Thurrock” (National Insurance Contributions Act 2011 s 11(1)).
easy money mortgage	Term coined around 2005 for a mortgage of an amount greater than the property value, such as lending £350,000 to buy a £300,000 property.
easy money policy	Government policy of making money easy to borrow as a means of expanding the economy.
eat index sine die	Latin: let him go without a day. This is a form of dismissal of a defendant in a legal action.
EB	Abbreviation: birr, currency of Ethiopia.
Ebacc	English baccalaureate, a school qualification taken by students when they start their GCSEs. It is introduced for year 7 students from September 2015.
e-banking	Internet banking or similar computer-based banking. Most banks now offer this service.
EBIT	Earnings before interest and taxes.
EBITDA	Earnings before interest, taxes, depreciation and amortisation.
EBLEX	One of five levy organisations in the Agriculture and Horticulture Board . EBLEX charges a levy on the carcasses of cattle.
EBM	Earn Back Model.
EBQ	Economic batch quantity.
EBRD	European Bank for Reconstruction and Development.
Ebrill	Welsh: April
EBS Ltd	Irish financial institution, originally established as a building society in 1935 to provide affordable housing for teachers. The initials stood for Educational Building Society. On 1 July 2011, the society demutualised, and became a bank subsidiary of AIB .
EBT	Employee benefit trust.
EBTI	European Binding Tariff Information.
EBTSO	Employee benefit trust settlement opportunity.

e-business	General term for business activities transacted by computer, such as by using websites and e-mail.
EC	(1) European Community. (2) European Commission (3) Early conciliation.
E & C	Enforcement and compliance.
EC\$	Symbol for East Caribbean dollar.
ECA	(1) Enhanced capital allowance (2) European Court of Auditors. (3) Electronic commerce activity. (4) European Communities Act 1972
ECAI	External credit assessment institution.
ECB	European Central Bank.
EC certificate of conformity	In relation to taxation of company cars means "a certificate of conformity issued by a manufacturer under any provision of the law of a Member State implementing Article 6 of Council Directive 70/156/EEC, as amended" (Income Tax (Earnings And Pensions) Act 2003 s171(1) and Capital Allowances Act 2001 s268C(4)). For VAT on road fuel provided to employees, the same term is used (except it refers to "as from time to time amended") (Value Added Tax 1994 s57(9)).
ECD	Electronic Commerce Directive (Financial Services and Markets) Regulations SI 2002 No 1775.
ECDBR	Enforcement and Compliance Dispute Resolution Board.
ecce signum	Latin: behold the proof.
ecclesiastical charity	Term defined in Local Government Act 1894.
ecclesiastical corporation	"Any corporation in the Church of England, whether sole or aggregate, which is established for a spiritual purpose" (Charities Act 2011 s10(3)). The section explains to what such a corporation may be regarded as a charity.
Ecclesiastical Licences Act	Law of 1533 that allows the Archbishop of Canterbury and some other persons to award degrees. That right is said to be unaffected by Higher Education and Research Act 2017 under s55 of that Act.
ECEP	Prefix for HMRC's tax manual on EC export preference.

ECGD	Export Credit Guarantees Department.
ECHR	European Court of Human Rights.
ECIU	Energy and Climate Intelligence Unit.
ECJ	European Court of Justice.
ECL	Expected credit loss.
ECO	Energy Company Obligation.
ECOFIN	Economic and Financial Affairs Council , of European Union.
e-commerce	Electronic Commerce, the buying, selling and exchange of information, products and services via computer networks.
ECON	Employer's contracting-out number, for pensions.
econometric modelling	Application of regression techniques in marketing analysis.
econometrics	Study of statistics in economics. The discipline often uses computers to analyse the results as a means of making forecasts.
economic	Financially worthwhile, particularly in the terms of achieving the best financial result.
Economic and Financial Affairs Council (ECOFIN)	"Council composed of the Economics and Finance Ministers of all 27 European Union member states. ECOFIN discuss and reach agreement on how to take forward a number of economic and financial issues that affect the whole of the European Union." (HM Treasury glossary).
Economic and Monetary Union (EMU)	Process of harmonising the economic and monetary policies of the Member States of the Union which led to the introduction of the single currency , now known as the euro .
Economic and Social Research Council	Committee of United Kingdom Research and Innovation (Higher Education and Research Act 2017 s92(1)).
economic appraisal	Method of capital budgeting that uses discounted cash flow .
economic batch quantity (EBQ)	The quantity at which it is most economic to order or re-order goods. It usually represents the point at which the administrative costs involved in placing a purchase order equals the cost of holding extra goods. The formula is: $EBQ = \sqrt{2Cd/ip}$, where

EBQ = economic batch quantity
C = cost of placing an order
d = rate of demand in a period
i = stockholding cost per unit
p = cost price per unit.

economic benefits

The positive consequences of a policy expressed in financial terms, particularly when finance is not the primary motive.

The term is often used in the public sector where, for example, a campaign to reduce accidents (which does not need cost-justification) can be shown to have economic benefits such as the saving of lost days at work and the provision of health treatment. Such benefits are often calculated by an **economic appraisal**.

economic cannon fodder

People considered of little economic worth and who may therefore be regarded as more expendable in war. Such terms have become unacceptable from the 1970s.

economic costs

In economics, the projected costs of a particular course of action. The term is particularly used when finance is not a primary motive in the action. It is therefore common in the public sector.

The term is distinguished from financial costs in that the former does not include transfer payments. For example, the economic cost of building a hospital would exclude taxes paid back to the government.

economic crisis

Situation where a country is in financial difficulties.

economic cycle

Period during which trade expands and contracts before starting to expand again.

economic development

Expansion of a country's financial and commercial situation.

economic employer

Term used to mean the person who funds the payment of salary or wages to a worker, as against the legal employer who arranges the payment.

The term is particularly used to interpret arrangements where a person is employed by an overseas body on behalf of a UK body.

economic environment

Factors that affect spending decisions of consumers.

Such factors include inflation, interest rates, other aspects of the national economy and economic perceptions.

economic exposure

The possible effect on a business of economic factors, such as how a company's trade will be affected by inflation or interest rates. For a company selling overseas, economic exposure also includes the effect of exchange rate variations.

economic forecaster

Person who gives an opinion of how they believe the economy will perform.

economic growth

Rate at which a country's national income grows.

The term "typically refers to an increase in a nation's capacity to

produce goods and services" (HM Treasury glossary).

economic lot size	Another name for economic batch quantity .
economic model	Plan of a country's economic system from which outcomes may be determined for different scenarios.
Economic Operator (EO)	<p>Person who is registered with Customs or the equivalent authority in another EU member state.</p> <p>For savings income, the term "is a paying agent established in another member State or in a territory (construed in accordance with the Savings Directive or the arrangements with the territory, as appropriate) with which arrangements have been made" (Importing of Savings Income Information Regulations SI 2003 No 3297 reg 2(2)).</p>
Economic Operator Registration Identification (EORI)	<p>A number assigned by Customs or the equivalent authority in another EU member state. The number is valid throughout the EU. The number is used for Customs purpose.</p> <p>In the UK, an EORI comprises the letters GB, followed by the VAT number (of nine digits), followed by a further three digits, usually 000.</p>
economic order quantity (EOQ)	<p>Quantity of items a business should order at a time. It is also called economic batch quantity (under which entry the formula is given).</p> <p>The formula balances the cost of tying up capital in stock against the cost of issuing an order.</p>
economic profits and losses	In relation to index-linked gilt-edged securities , the term is defined in Corporation Tax Act 2009 s400B.
economic rent	Economic rent is the difference between what a factor of production is earning (its return) and what it would need to be earning to keep it in its present use. It is in other words the amount a factor is earning over and above what it could be earning in its next best alternative use (its transfer earnings).
economic resources	In relation to terrorist assets, means "assets of every kind, whether tangible or intangible, movable or immovable, but which are not funds but can be used to obtain funds, goods or services" (Terrorist Asset-Freezing etc Act 2010 s39(2)).
economic value	The present value of expected economic cash flows.
economic value added	Measure of how much a process or stage has added to the value of something, as a means of comparing this with the cost of that process or stage.
economic warfare	Policies against an enemy designed to force them to surrender. The policy involves destroying and blocking essential supplies.

economical	Using little or less money and resources.
economics	Study of the production, distribution, selling and use of goods and services, and their effect on the national economy.
economies of scale	Economies of scale occur when larger firms are able to lower their unit costs. This may happen for a variety of reasons. A larger firm may be able to buy in bulk, it may be able to organise production more efficiently, it may be able to raise capital cheaper and more efficiently. All of these represent economies of scale.
economies of scope	Saving costs by making several products at the same time.
economising	Reducing expenditure without compromising lifestyle.
economist	Person who studies economics .
economy	(1) General financial state, particularly of a country. (2) Practice of obtaining value for money.
economy of truth	When statements give an untruthful representation of the facts even though every word and figure is itself true. The expression was used when sentencing company chairman Lord Kylsant in the Royal Mail Steam Packet case of 1931.
e contrario	Latin: on the contrary.
e converso	Latin: conversely.
ECOS	Employee car ownership scheme
ecotax	Tax designed to promote environmentally friendly policies. The term was used in a government report of 1997.
ECP	(1) Euro commercial paper . (2) Prefix for HMRC's tax manual on excise civil penalties.
ECPET	Prefix for HMRC's tax manual on EC preferences: exports to Turkey.
ECPIT	Prefix for HMRC's tax manual on EC preferences: imports from Turkey.
ECR	(1) European Court Reports, law reports from 1954. (2) Enhanced capital requirement.
ECS	Employer Compliance System .
ECSC	European Coal and Steel Community

ECSC Treaty	“The Treaty establishing the European Coal and Steel Community, signed at Paris on the 18 th April 1951” (European Communities Act 1972 Sch 1 para 1).
ECSL	EC sales list.
EC Trade Defence Desk	Department that investigates suspected instances of dumping of goods. This happens when a country exports goods to the UK at a subsidised rate with a view to destroying the domestic market. Where dumping is established, the imported goods may be subject to a form of Customs duty known as anti-dumping duty . The desk can be contacted on 0032 22 98 78 73.
EC type-approval certificate	In relation to taxation of company cars means, “a type-approval certificate issued under any provision of the law of a Member State implementing Council Directive 70/156/EEC, as amended” (Income Tax (Earnings And Pensions) Act 2003 s171(1)).
ECU	European Currency Unit. This was renamed the euro when it became a real currency. An écu is, coincidentally, also the name of an obsolete French coin.
Ecuador	South American country. Its currency is the US dollar of 100 cents. The UK has no tax treaty.
ED	Exposure draft.
ED(DP)R	Excise Duties (Deferred Payment) Regulations 1992.
EDCS	Electronic Data Capture Service - the transport mechanism for Electronic Data Interchange (EDI) data between the trade and various HMC&E systems. There are three methods of submission to EDCS; SMPT email attachment, x400 email attachment and web.
EDDC	Prefix for HMRC's tax manual on excise due diligence guidance.
Eddington Report	Report on transport presented by Rod Eddington to the government on 1 December 2006. His many proposals included road-pricing at a suggested tariff of up to £1.29 a mile.
eddy	In a river, a current running back against the main current. In economics, the term can mean an effect that moves in the opposite direction to the main flow.
EDF	European Development Fund.
EDGAR	Electronic Data Gathering, Analysis and Retrieval system.
Edgar	King of Scotland from 1097 to 1107.
Edgar I	King of England from 959 to 975 AD.

Edge Act	American law passed in 1919. It allowed banks to set up edge corporations to carry on international trade and investment activities.
edge corporation	In the USA, a banking institution with a special charter from the US Federal Reserve to conduct international banking operations and to perform other services without the need to comply with the legislation of each state in which it operates.
EDIFACT	Electronic Data Interchange for Administration, Commerce and Transport - an EDIFACT message is the basic unit for communicating information electronically. For example, a Supplementary Declaration is submitted as a Customs Declaration (CUSDEC) to the Customs Handling of Import and Export Freight (CHIEF) system.
Edmund I	King of England from 939-946 AD.
Edmund II	King of England in 1016 for seven months. Known as "Ironside".
EDO	Extremism disruption order.
EDR	(1) Effective date of registration , the date from which a person is registered for VAT and must account for tax. (2) Energy Demand Reduction. (3) Euro Depositary Receipt.
EDSP	Exchange Delivery Settlement Price.
educational establishment	<p>Tax definition</p> <p>A body in England and Wales that "is —</p> <ul style="list-style-type: none">(a) a local authority ...(b) an education institution... maintained by a local authority,(c) an independent school... , or(d) an institution within the further education sector, or the higher education sector..."<p>(Income Tax (Trading And Other Income) Act 2005s71(1) Section 71(2) gives similar definitions for Scotland. Corporation Tax Act 2009 s71 gives the same definition for corporation tax.</p><p>These definitions apply in relation to employees seconded to such establishments.</p><p>Definition for personal allowances</p><p>Certain discontinued tax allowances could be claimed for an older child at an educational establishment.</p><p>For such purposes, the term was held not to include:</p><ul style="list-style-type: none">• music lessons of four hours a week with study at home under the supervision of a tutor (<i>Heaslip v Hasemer. KB. 13 TC 212</i>) or• an intensive training unit attached to a hospital, even though this included one hour a day of traditional classroom education (<i>Barry v Morgan. Ch D [1972] 48 TC 586</i>).

National insurance definition

For **categorisation** of earners for national insurance, "includes —

(a) a place where instruction is provided in any course or part of a course designed to lead to a certificate, diploma, degree or professional qualification; or

(b) a place where instruction is provided in any course being the same as, or substantially similar to, any such course or part of a course as is referred to in (a) above, but which is not designed to lead to a certificate, diploma, degree or professional qualification"

(Social Security (Categorisation of Earners) Regulations SI 1978 No 1689 reg 1(2)).

education allowance

This was paid to certain public officers posted overseas.

Under extra-statutory concession A44, such allowances were free of income tax. This concession was declared obsolete in 2005.

Education and Skills Funding Agency (ESFA)

Government agency that promotes government provisions relating to further education and apprenticeships.

A business may claim tax relief for a donation to ESFA (and similar bodies) under Income Tax (Trading and Other Income) Act 2005 ss82-86 and Corporation Tax 2009 ss82-86.

Education Authority of Northern Ireland

This body is explicitly excluded from corporation tax with effect from 1 April 2015 by Corporation Tax Act 2010 s987B as inserted by Finance Act 2018 s25(1).

education-linked living accommodation

In relation to **removal expenses**, where a child stays while having full-time education (Income Tax (Earnings And Pensions) Act 2003 s281(2)).

Edward I

(1) King of England from 975 to 978 AD. Known as "the Martyr".
(2) King of England from 1272 to 1307. Known as "Longshanks".

Edward II

(1) King of England from 1042 to 1066. Known as "the Confessor".
(2) King of England from 1307 to 1327.

Edward III

King of England from 1327 to 1377.

Edward IV

King of England from 1461 to 1483. He was deposed in 1470 and restored in 1471.

Edward IV taxes

Taxes charged between 1475 and 1483.

These include a **tenth** and **fifteenth**, and a poll tax on aliens.

Edward V

King of England for two months in 1483, aged 12, when he was deposed.

Edward VI

King of Great Britain from 1547 to 1553.

Edward VII	King of Great Britain from 1901 to 1910.
Edward VIII	King of Great Britain for ten months in 1936 when he abdicated.
Edward 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).
Edwards v Bairstow	<p>Leading case setting out the limited grounds on which a court may overturn a Tax Tribunal's or Special Commissioners' decision on a point of fact.</p> <p>The term comes from the House of Lords' decision in <i>Edwards v Bairstow</i> [1955]. This related to whether a single adventure could be taxed as a trade. Generally the Tribunal's or Commissioners' decision is final on a point of fact, so only a point of law may be appealed to the courts. In <i>Edwards v Bairstow</i>, the Lords ruled that a point of fact could be appealed where "the true and only reasonable conclusion contradicts the determination". In other words, the finding of fact was perverse.</p>
EE	<p>(1) Country prefix code for Estonia.</p> <p>(2) Enhanced exposure.</p>
EEA	<p>European Economic Area.</p> <p>This is the European Union plus Iceland, Norway and Leichtenstein.</p>
EEA accounting period	"A period for which an EEA related company has a loss of other amount" (Corporation Tax Act 2010 s112).
EEA agreement	<p>"Means the agreement on the European Economic Area signed at Oporto on 2nd May 1992, together with the Protocol adjusting that Agreement signed at Brussels on 17th March 1993, as modified or supplemented from time to time." (Interpretation Act 1978 Sch 1).</p> <p>A similar definition appears in Child Trust Funds Regulations SI 2004 No 1450 reg 2(1)(b).</p>
EEA amount	Figure that may be used in claiming loss relief by a non-UK resident company or by a company trading in the EEA. The basis of its calculation is given in Corporation Tax Act 2010 s113(2).
EEA banking company	In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DB(2).
EEA company	Company governed by the law of an EEA state (Companies Act 2006 s1170(2)).
EEA expenditure	<p>In relation to video games relief, "means expenditure on goods or services that are provided from within the European Economic Area" (Corporation Tax Act 2009 s1217AE). At least 25% of the core expenditure must be EEA expenditure (Corporation Tax Act 2009 s1217CE(1)).</p> <p>The same definition is provided for theatrical production relief in</p>

Corporation Tax Act 2009 s1217GB(2).

EEA expenditure condition	Condition that a production company must meet to qualify for theatrical production relief from corporation tax. The condition is that at least 25% of core expenditure is spent in the European Economic Area (Corporation Tax Act 2009 s1217GB).
EEA furnished holiday lettings business	<p>“Means an overseas property business so far as it consists of the commercial letting of furnished holiday accommodation on one or more EEA states” (Corporation Tax Act 2009 s748(5)).</p> <p>Such a business may be taxed as a trade (Taxation (International and Other Provisions) Act 2010 s127ZA and Corporation Tax Act 2009 s748).</p>
EEA related company	<p>“A non-UK resident company that —</p> <ul style="list-style-type: none">(a) is resident in an EEA territory, or(b) is not resident in any EEA territory but is carrying on a trade in an EEA territory through a permanent establishment”<p>(Corporation Tax Act 2010 s112).</p>
EEA state	<p>“In relation to any time, means—</p> <ul style="list-style-type: none">(a) a state which at that time is a member State; or(b) any other state which at that time is a party to the EEA agreement”<p>(Interpretation Act 1978 Sch 1).</p><p>For company law, “means a state which is a Contracting Party to the Agreement of the European Economic Area signed at Oporto on 2nd May 1992 (as it has effect from time to time)” (Companies Act 2006 s1170(1)).</p><p>A similar definition appears in Child Trust Funds Regulations SI 2004 No 1450 reg 2(1)(b).</p>
EEA tax loss condition	Conditions that must be met to claim loss relief (Corporation Tax Act 2010 ss115-120).
EEA undertaking	Undertaking governed by the law of an EEA state (Companies Act 2006 s1170(2)).
EEC	European Economic Community.
EEC Treaty	“The Treaty establishing the European Economic Community, signed at Rome on the 25 th March 1957” (European Communities Act 1972 Sch 1 para 2).
EEE	Electrical and electronic equipment, particularly in regard to its safe disposal.
EEIG	European Economic Interest Grouping. This abbreviation is commonly pronounced “earwig”. There are special tax provisions.
EEO	Equal employment opportunity.

EEOC	Equal Employment Opportunity Commission.
EF	Earnings factor , for national insurance.
EFA	Education Funding Agency.
effective annual rate	Average interest paid on a deposit over 12 months expressed as a percentage of the principal at the beginning of that period.
effective date	Date on which some provision takes place, such as when an accounting standard takes effect or when insurance cover starts under a policy.
effective demand	Actual sales demand for a product.
effective duration	The duration of a lease for tax purposes. This is normally the stated term of the lease. It is extended if the tenant has the unilateral right to extend it, and it is shortened if the landlord has the unilateral right to terminate it early. Corporation tax provisions are given in Corporation Tax Act 2009 s243.
effective exchange rate	Rate of exchange of a currency against a basket of other currencies.
effective interest method	"A method of calculating the amortised cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period" (FRS 102 glossary).
effective interest rate	"The rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the carrying amount of the financial asset or financial liability" (FRS 102 glossary).
effective price	Price which has been adjusted to make it comparable, particularly a share price adjusted to reflect a rights issue.
effective rate	Rate of tax that is actually paid after allowing for an adjustment from the headline rate . For example, the headline rate of income tax for a higher rate taxpayer is 32.5%, but the effective rate is 25%.
effective tax mismatch condition	Term used for diverted profits tax. Its provisions are given in Finance Act 2015 s107.
effective yield	Actual yield on a share or similar security after adjustments have been made to make the yield comparable.
effective 51% subsidiary	Term that is used in Corporation Tax Act 2009 s766 in relation to group companies and is defined in s771. It refers to a sub-subsubsidiary where a parent may be able to control the company even though successive minority interests may reduce the effective control below 50%. For example, company A owns 80% of B which owns 80% of C which owns 80% of company D. Each company is a 75% subsidiary of its

parent, and A can control all companies. But A in effect only “owns” 41% of D.

Efficiency and Reform Group (ERG)

Body set up within the Cabinet Office to make government spending more cost-effective (Budget 2010 Red Book para 2.7).

efficiency test

One of 12 tests included in HMRC guidance published early in 2012 on whether an individual comes within the scope of **IR35**

efficient frontier

In investment, the point at which a diversified portfolio achieves the maximum return for the investor's defined risk.

efficient market hypothesis

In investment, the theory that the price of a share or other security properly reflects all known information, such as earnings potential and risks.

efficient portfolio

Portfolio that provides the greatest expected return for a given level of risk.

EFP

Exchange for physicals.

EFRAG

(1) **Electronic Financial Reporting Advice Group.**
(2) European Finance Reporting Advisory Group.

EFRBS

Employer-financed retirement benefit scheme.

EFT

Electronic funds transfer

EFTA

(1) European Free Trade Association, members of EFTA are: Iceland; Norway; Liechtenstein and Switzerland. With the **European Union**, they form the **European Economic Area.**
(2) **European Fair Trade Association.**

Eftpos

Electronic financial transactions at the point of sale.

EG

(1) Enforcement Guide, published by the Financial Services Authority.
(2) Estates Gazette, series of law reports from 1858.

eg

Exempli gratia, Latin for “for example”.

EGAD

Excise Goods Accompanying Documents.
They are governed by Excise Goods Accompanying Documents (EGAD) Regulations 2002.

EGDR

Excise Goods (Drawback) Regulations - Excise Goods (Drawback) Regulations (EGDR) Regulations 1995.

ege

Finnish nickname for the **euro**.

egg

This is generally zero-rated for VAT as food. If served cooked in any form, it is standard-rated as a supply of catering.

“Preparations and extracts” of egg are specifically zero-rated under Value Added Tax 1994 Sch 8 Group 1 Items Overriding The Exception 7.

Further guidance is given in VAT Notice 701/14.

EGLBAGL	Exchange Gains and Losses (Bringing Into Account Gains and Losses) Regulations SI 2002 No 1970.
EGLR	Estates Gazette Law Reports, a series of law reports first published in 1975.
EGP	ISO code for Egyptian pound.
Egypt	Arabic country. Its currency is the Egyptian pound of 100 piastres. The UK has a double taxation convention of 1977.
Egyptian pound	Currency of Egypt.
EI	Earnings interest, as used in the formula for pension input amount for non-UK schemes (Finance Act 2004 Sch 34 para 10(2) as inserted by Finance Act 2014 s45(2)).
EIA	Education and Inspections Act 2006.
EIB	European Investment Bank
EIC	Excise and Inland Customs, also referred to as Excise and Inland Customs (E&IC).
E&IC Office	Excise and Inland Customs Office, also referred to as Excise and Inland Customs (EIC).
Eider	River in Denmark. Anyone sailing their own craft to a port north of this river may take duty-free stores on board (Customs notice 8).
EIGA	Export and Investment Guarantees Act 1991.
Eighth Directive	An EU directive which deals with auditors and company accounts.
ei incumbit probatio qui dicit, non qui negat	Latin: the burden of proof is on him who alleges, and not on him who denies.
eik	Old term for a supplement to a document. The word is used in Stamp Act 1870 s93, but has now disappeared from use.
EIK	Eat-in kitchen.
Eileen Trust	Trust established to provide ex gratia help to people who have been infected with HIV through contaminated blood or blood products used in the NHS. Such payments are disregarded when determining payments of means-tested social security benefits. They are also exempt from income tax. Such payments are now made by MFET Ltd .

EIM	Prefix for HMRC's tax manual on employment income.
ei qui affirmat, non ei qui negat, incumbit probatio	Latin: the burden of proof is on him who affirms a fact, and not on him who denies.
EIR	Earned income relief for income tax (now abolished).
EIRIS	Ethical Investment Research Service.
EIS	Enterprise Investment Scheme.
EISA	Enterprise Investment Scheme Association.
EIS relief	Tax relief under the Enterprise Investment Scheme. This term is used in Income Tax Act 2007 s131 and is defined in s151 and s156.
either on his own or with one or more associates	Term used in Income and Corporation Taxes Act 1988 s417(5) and defined in s417(6) in relation to who is a participator in a company.
ejectment	Procedure for removing someone from freehold property. The procedure was abolished by Common Law Procedure Act 1852.
EJRA	Employer justified retirement age.
ejusdem generis	Latin: of the same kind or nature. This is a method of legal interpretation, which assumes that general words which follow a specific list are assumed to be limited to words of similar meaning. A leading case on this is <i>Lane v London Electricity Board [1955]</i> .
eke	Although the term is popularly used to mean to stretch resources to satisfy demand, the strict definition of the word is to add to, increase or lengthen.
EL	(1) Country prefix code for Greece. (2) Expected loss.
elasticity	Ability to expand or contract easily to accommodate changed circumstances.
El Dorado	Land of great wealth that Spanish conquistadors believed was in America. By extension, the term can mean any imagined situation of easy but unlikely wealth.
EIDR	Entry in Declarants Records.
eldercare	American term for provisions to look after elderly people.
election period document	Document filed regarding the date of birth information (DOB information) of a director or PSC (Companies Act 2006 s1087A(6)).

elected representatives	The extent to which their overnight expenses are tax-deductible is set out in Income Tax (Earnings And Pensions) Act 2003 s293.
election to waive exemption	For VAT, another name for option to tax .
elective office	Office obtained by winning an election, such as MP or councillor. For national insurance, such office holders are treated as employed earners (Social Security Contributions and Benefits Act 1992 s2(1)(a)).
electrically propelled	In terms of capital allowances for cars, "a vehicle is electrically propelled only if— (a) it is propelled solely by electrical power, and (b) that power is derived from— (i) a source external to the vehicle, or (ii) an electrical storage battery which is not connected to any source of power when the vehicle is in motion" (Capital Allowances Act 2001 s268B).
electrical safety standards	In relation to privately rented dwellings "means standards specified in, or determined in accordance with, the regulations in relation to — (a) the installations in the premises for the supply of electricity, or (b) electrical fixtures, fittings or appliances provided by the landlord" (Housing and Planning Act 2016 s122(2)).
electrical systems	For capital allowance purposes, is treated as an integral feature , which means that it is included in the special rate pool and is subject to capital allowance at 8% on the writing down basis, and not the usual 18% for plant and machinery (Capital Allowances Act 2001 s33A).
electricity	For VAT, a supply of electricity is treated as a supply of goods (Value Added Tax Act 1994 Sch 4 para 3). As such, supplies for residential use are generally reduced-rated under <i>ibid</i> Sch 7A Group 1, but standard-rated for other supplies. Details are given in VAT notice 701/19. HMRC accepts that supplies up to 33 kilowatt hours per day or 1000 per month are domestic. For cars, electricity is not regarded as a road fuel. This means that, for example, the approved mileage figures cannot be used if an employee uses his or her own electric car for business purposes.
electricity interconnector	Part of an electrical line or plant which connects a place in Great Britain to another country or territory (Electricity Act 1989 s4(1)). Such an interconnector must be licensed.
electric vehicle	"Means a road vehicle that can be propelled by electrical power (whether or not it can also be propelled by another kind of power" (Capital Allowances Act 2001 s45EA(5) as inserted by Finance (No 2) Act 2017 s38(3)).
electric vehicle charging point	"Means a facility for charging an electric vehicle " (Capital Allowances Act 2001 s45EA as inserted by Finance (No 2) Act 2017 s38(3)).

Such a facility attracts a 100% first year allowance if installed between 23 November 2016 and 31 March 2019 (corporation tax) or 5 April 2019 (income tax). The end dates may be extended by Treasury regulation.

- electroencephalography** In medicine and psychology, a non-invasive method of measuring electrical activity in the brain from electrodes placed on the scalp.
- electronic banking** Carrying out banking transactions using a computer.
- electronic communication** Sending documents by e-mail and similar means.
In company law this method may be used to send information to members under the provisions of Companies Act 2006 s333.
For child trust funds, the term "includes any communication by means of a telecommunication system (within the meaning of the Telecommunications Act 1984)" (Child Trust Funds Regulations SI 2004 No 1450 reg 2(1)(b)).
- Electronic Communications Code**
This is found in Communications Act 2003 Sch 3A as inserted by Digital Economy Act 2017 Sch 1.
- electronic conveyancing** Conveyancing of land using electronic filing. Provisions are found in Land Registration Act 2002 ss91-95.
- electronic data interchange (EDI)**
Standard format used on the Internet for business documents such as purchase orders and invoices.
- electronic form** "A document or information is sent or supplied in electronic form if it is sent or supplied —
(a) by electronic means (for example, by e-mail or fax), or
(b) by any other means while in an electronic form (for example, sending a disk by post).
"References to electronic copy have a corresponding meaning."
(Companies Act 2006 s1168(3)).
- electronic funds transfer (EFT)** Banking system for sending electronic messages to transfer funds between accounts.
- electronic import declaration** Electronic form of the **single administrative document** used to determine liability for Customs duty.
- electronic lodgement service (ELS)**
System used for filing tax returns by computer.
- electronic monitoring requirement**
Requirement that an offender subject to certain types of court order is also subject to electronic monitoring (Criminal Justice Act 2003 s215).

electronic point of sale (EPOS)	Retail check-out system which typically comprises barcode scanner, scales, till, credit card reader and invoice producing equipment. There are some special VAT provisions for retailers who use EPOS equipment.
electronic presentment	Means of clearing a cheque electronically by sending an electronic image of both sides of the cheque rather than the cheque itself. It is permitted by Bills of Exchange Act 1882 s89A as added by Small Business, Enterprise and Employment Act 2015 s13(2).
electronic programme guide	On-screen guide about programmes being offered by a broadcaster. Legal provisions are contained in Communications Act 2003 s310.
electronic public offering	Initial public offering where the process of applying for shares is made electronically.
Electronic Returns Storage System (ERSS)	HMRC computer system used for storing on-line tax returns.
electronic signature	In coins, the electronic reading which a vending machine can make to establish that the coin is genuine.
electronic transfer of funds	Transfer of money between banks or financial institutions using computer instructions.
electrum	Alloy of gold and silver .
eleemosynary	Relating to charity or almsgiving.
elements of financial statements	Term used in Statement of Principles to mean the seven categories of financial information to be reported, namely: <ul style="list-style-type: none">• assets• liabilities• ownership interest• gains• losses• contributions from owners• distribution to owners.
elenctic	Relating to a counter-argument.
elephant grass	Plant that may be used for short rotation coppices , for which there special tax provisions.
elephant hunt	When a local authority or similar body looks for a large business to move into an area to stimulate the economy. This may be encouraged by tax reliefs and other incentives.

elephant in the room	Colloquialism for a situation that everyone pretends does not exist when they all know it does.
elephant test	<p>The ability to recognise something without needing (or even being able) to define it. It is also stated as “one knows when one sees it”.</p> <p>The term comes from the observation that everyone knows what an elephant is, though most people would have a problem writing a definition.</p> <p>The term has been used in tax cases, such as in relation to whether a property is a farm in the case <i>Golding [2011] TC 1211</i>.</p>
ELG	Eligible liabilities guarantee scheme.
Elida table	Table drawn up by HMRC with motor manufacturers and dealers to assist in dealing with claims for VAT repayments relating to bonuses on car sales. The name comes from the case <i>Elida Gibbs Ltd v Customs and Excise [1997] STC 1387</i> where the entitlement to repayment was established.
eligibility	Meeting the requirements for some right or duty.
eligibility date	The date at which an individual becomes eligible for benefits under an insurance policy or similar financial policy.
eligibility declaration	Statement that a charity must make confirming that its services are eligible for VAT relief as set out in VAT notice 701/1.
eligibility period	Period during which potential members of a group insurance scheme may join without evidence of insurability.
eligibility requirements	Requirements imposed for eligibility for coverage, usually in a group insurance or pension plan.
eligible	In relation to taxation of furnished accommodation, this term is given a specific meaning for dwellings in Income Tax (Trading and Other Income) Act 2005 s308B.
eligible article	For excise purposes, alcoholic ingredient used for such purposes as cooking for which duty relief may be claimed. Further details are given in Customs leaflet 41.
eligible developing country	For import duty, a country that meets the criteria set out in Taxation (Cross-border Trade) Act 2018 Sch 3 Part 1.
eligible employees	Employees who meet the eligibility requirements for insurance set out in a group policy .
eligible goods	Excised goods on which excise drawback may be claimed.
eligible hybrid company	In terms of business investment relief, this term is defined in Income Tax Act 2007 s809VD(3A) as inserted by Finance (No 2) Act 2017 s13(3).

Eligible Liabilities Guarantee Scheme (ELGS)

Scheme introduced by the government of the Irish Republic in December 2009 for term deposit accounts that exceed €100,000 (which figure is covered under the Deposit Guarantee Scheme). ELGS provides cover for five years for loans taken out before 28 March 2013.

eligible list

List of banks entitled to discount acceptances at the Bank of England.

eligible mixed lease

A lease that relates both to:

- plant or machinery, and
- other assets,

and meets other conditions.

The tax provisions for such a lease are given in Capital Allowances Act 2001 s70I.

eligible needs

Needs of an adult in care (Care Act 2014 s28).

eligible paper

(1) Any first-class security which is acceptable to the Bank of England. Examples include Treasury bills and short-dated gilts.
(2) In USA, acceptances by American banks for rediscounting by the **Federal Reserve** system.

eligible reserves

In USA, cash held in an American bank plus its reserves held at the **Federal Reserve Bank**.

elimination period

US insurance term for the **waiting period**, such as the period from becoming unable to work to when an insurance protection policy makes payment.

Elizabeth I

Queen of Great Britain from 1558 to 1603.

Elizabeth II

Queen of Great Britain since 1952.

Elliott wave

In investment, a technical analysis theory developed by accountant Ralph Elliott (1871-1948) which asserts that the financial markets operate in eight-year waves: five up and three down.

ELM

Electronic Money sourcebook, published by the Financial Services Authority.

ELPS

Equity Life Payment Scheme.

ELS

Electronic lodgement service.

El Salvador

South American country. Its currency is the US dollar of 100 cents. The UK has no double taxation treaty.

elusen

Welsh: charity (Charities Act 2011 s194(2)).

elusenol

Welsh: charitable (Charities Act 2011 s194(2)).

ELV

End of life vehicle.

ELV directive	European directive 2000/53/EC on end of life vehicles. The directive ensures that cars and other vehicles are disposed of in a way that does not damage the environment. The directive is amended by 2017/2096/EC.
EM	Prefix for HMRC's enquiry manual.
EMA	(1) European Monetary Agreement. (2) Exponential moving average.
e-mail	Electronic mail. A means of sending text or files to other computers via an internet connection. HMRC makes very little use of e-mail, particularly in communication with taxpayers. Making greater use of e-mail is being considered under the Single Compliance Process . In the case <i>Edgbaston Golf Club [2018] TC 6430</i> , it was held that claim was made by email when received by HMRC. In this case, part of the email address was accidentally omitted with the result that HMRC did not receive it in time.
emalangeni	Plural of lilangeni , currency of Swaziland.
embalming	For VAT, this is an exempt supply if part of a funeral service. Otherwise it is a standard-rated supply. Further details are given in VAT notice 701/32.
embankment	For capital allowances, this is specifically excluded from the scope of plant and machinery (Capital Allowances Act 2001 s22(1) List B).
embargo	Temporary prevention of some action. The term can be used for economic sanctions when there is an embargo on the export of certain goods. The term can be used for investment when it means a restriction on publishing sensitive financial data.
embarkation checks	Checks that passengers may legally enter the UK, as set out in Immigration Act 2014 Sch 8.
embarras de richesse	French: embarrassment of riches.
embedded derivative	When a financial derivative is part of a contract, including one for another financial derivative. The tax position for loan relationships with embedded derivatives is given in Corporation Tax Act 2009 from s415. The tax position for hybrid derivatives with embedded derivatives is given in Corporation Tax Act 2009 from s584. The circumstances when fair value accounting may be disapplied are given in Corporation Tax Act 2009 from s616.

embedded value (EV)	Accounting method used for life insurance business. It is basically measures profit as net assets minus present value of future cash outflows.
embezzlement	Fraudulent misappropriation of property by the person to whom it was trusted.
EMBI	Emerging markets bond index, established by J P Morgan.
emblems	Crops raised by the labour of the cultivator, other than fruit from a tree and grass.
embracery	The offence of seeking improperly to influence a jury.
emergency	“Means: (a) an event or situation which threatens serious damage to human welfare in a place in the United Kingdom, (b) an event or situation which threatens serious damage to the environment of a place in the United Kingdom, or (c) war, or terrorism, which threatens serious damage to the security of the United Kingdom” (Civil Contingencies Act 2004 s1(1) and s19(1)).
emergency brake	Term coined for the EU provision negotiated with UK prime minister David Cameron in February 2016 as part of a package of reforms. It would have allowed the UK to withhold benefits to new migrants for up to four years. When the UK voted to leave the EU four months later, this provision was lost with the package.
emergency Budget	Term used for the Budget of 22 June 2010, six weeks after the coalition government was formed after the General Election, and three months after the previous Budget by the outgoing Labour government.
emergency card	Original name for the PAYE procedure now known as emergency code .
emergency circumstances	“Means circumstances which are present or imminent and are causing or likely to cause — (a) the death of a person, (b) serious injury to, or the serious illness of, a person, (c) the death of an animal. (d) serious injury to, or the serious illness of, an animal, (e) serious harm to the environment (including the life and health of plants and animals), (f) serious harm to any building or other property, or (g) a worsening of any such injury, illness or harm” (Inheritance Tax Act 1984 s153A(3) as inserted by Finance Act 2015 s75). For deaths from 19 March 2014, a person who dies as a consequence of responding to emergency circumstances leaves their estate free of inheritance tax.
emergency code	Tax code used under the PAYE system when no other code has been provided by an employee or the tax office, and the employee is not subject to BR or OT

codes. The code is the equivalent of the personal allowance for that year on a **week 1 basis** or month 1 basis.

The statutory definition is a special code "which, after allowing for the personal allowance, effects deductions of tax at

- (i) the basic rate, or
- (ii) the basic and higher rates, or
- (iii) the basic, higher and additional rates

so that during the tax year the amounts subject to deductions at the rate or rates concerned are in accordance with section 10 of ITA [Income Tax Act 2007] (income charged at the basic, higher and additional rates: individuals)" (PAYE regulations SI 2003 No 2682 reg 7(3)(d)).

Emergency Coordinator	Person appointed by a government minister to exercise special powers during an emergency (Civil Contingencies Act 2004 s24(1)).
emergency fund	Money set aside by an individual or organisation to deal with an emergency, such as the need for sudden repairs or a replacement asset.
emergency journey	Journey an employee is obliged to make in response to an emergency. In guidance published in January 1998, Inland Revenue (now HMRC) said that an emergency journey does not necessarily qualify as business travel for the purposes of tax-free reimbursement of business mileage.
emergency planning	Specific measures or actions to be taken in an emergency.
emergency power	Authority granted by the King or Queen in Council to Parliament allowing it to take emergency steps to deal "with the supply and distribution of food, water, fuel, or light, or with the means of locomotion or... the essentials of life" (Emergency Powers Act 1920 s1). The order lasts for no more than one month but may be renewed. It may not be used to outlaw a strike.
emergency prohibition order	Order which a local authority may serve in respect of housing under Housing Act 2004 s43.
emergency regulations	Orders made in council under Civil Contingencies Act 2004 s20 to deal with an emergency . Also, Regulations made by Parliament under Emergency Powers Act 1920 s2 when a state of emergency has been declared.
emergency remedial action	Action which a local authority may take in respect of housing where it is satisfied that a category 1 hazard exists and that this involves "an imminent risk of serious harm to the health or safety of any of the occupiers of those or any other residential premises" (Housing Act 2004 s40(1)).
emergency responder	"Means — (a) a person employed, or engaged, in connection with the provision of fire services or fire and rescue services, (b) a person employed for the purposes of providing, or engaged to provide, search services or rescue services (or both),

- (c) a person employed for the purposes of providing, or engaged to provide, medical, ambulance or paramedic services,
- (d) a constable or a person employed for police purposes or engaged to provide services for police purposes,
- (e) a person employed for the purposes of providing, or engaged to provide, services for the transportation of organs, blood, medical equipment or medical personnel, or
- (f) a person employed, or engaged, by the government of a state or territory, an international organisation or a charity in connection with the provision of humanitarian assistance"

(Inheritance Tax Act 1984 s153A(6) as inserted by Finance Act 2015 s75).

If such a person dies from 19 March 2014 in the course of their duties, their estate is exempt from inheritance tax.

emergency service personnel People engaged to deal with **emergency circumstances**.

It broadly includes firemen, search and rescue, emergency medical services, police, medical couriers and those providing humanitarian assistance (in any country).

A person's estate is exempt from inheritance tax if they die on or after 19 March 2014. Previously this exemption applied only to members of the armed forces.

The relevant law is Inheritance Tax Act 1984 s153A, as inserted by Finance Act 2015 s75.

emergency tax

For PAYE, a tax code that is temporarily used when no other code is known. The code is usually one tenth of the personal allowance applied on a **month 1/week 1** basis. When the correct tax code is allocated, any overpayment of tax is refunded and any shortfall is collected.

emergency vehicle

A vehicle which is used to respond to emergencies and either has a permanent flashing light fixed or has facility for one. An employee who is provided with such a vehicle as part of his job may avoid the charge to income tax on a company car (Income Tax (Earnings And Pensions) Act 2003 s248A).

This provision applies from 6 April 2004.

emergency worker

Obstruction

Person whose job is to deal with emergencies. It is a criminal offence to obstruct such a person under Emergency Workers (Obstruction) Act 2006. There are similar provisions in Scotland under Emergency Workers (Scotland) Act 2005.

The Act defines such workers as fire fighters, ambulance staff, coastguard, and lifeboat crew.

Assault

The assault of an emergency worker engaged in emergency worker is regarded as an aggravating factor justifying a longer prison sentence under Assaults on Emergency Workers (Offences) Act 2018.

Section 3 of the Act defines an emergency worker as:

- a constable

- a person with powers of a constable
- a National Crime Agency officer
- a prison officer
- a person engaged to carry out work at a custodial institution
- a custody officer
- a person engaged to provide fire or rescue services
- a person engaged to provide health services.

The scope includes volunteers.

emerging markets	Financial markets which are still in any early stage of development, such as those of Asia and Eastern Europe.
emerging markets debt	Debt instruments from emerging markets . They are usually denominated in US dollars.
emeritus	Term bestowed on a retired professor or other holder of high office as a sign of respect for how that office has been discharged.
EMH	Efficient markets hypothesis.
EMI	(1) Enterprise management incentive (2) European Monetary Institute. [There is also a company called EMI.]
EMIR	European Markets Infrastructure Regulations.
emission reduction unit (ERU)	The successful reduction of emissions equivalent to one tonne of carbon dioxide (Kyoto Protocol Article 6).
emissions allowance	Allowance issued under the European Union Emissions Trading Scheme. Because of the use of such allowances in carousel fraud , it was added to the scope of reverse charge for VAT from 1 November 2010.
emissions trading	Trading in emission standards. Various tax and other implications are set out in Finance Act 2007 s16.
emolument	“The payment that is made for work that has been done including salary, bonuses and some other forms of benefit in kind” (HMRC inheritance tax glossary). The word originally meant an advantage.
emoluments	Collective term for all pay, wages, benefits, fees received, particularly by a director. The term originally meant that which came from a mill.
emoluments therefrom	Term used in Income and Corporation Taxes Act 1988 s19(1) in relation to Schedule E income. The term has disappeared following Income Tax (Earnings And Pensions) Act 2003, of which s10(3) instead refers to taxable specific income. Notwithstanding this repeal, the term is still referred to in the inspectors' manual at EIM 00600 in relation to the tax position that earnings

are not taxable unless they are from the employment. This principle was clearly set out in the case *Laidler v Perry* [1965] where Lord Reid said, "did this profit arise from the employment? The answer will be no if it arose from something else".

emotional intelligence	Mental ability of an individual to be sensitive to the emotions of others, and to be able to manage his or her own emotions.
empaestic	Relating to stamping or embossing.
empanel	Create and swear in a jury or a similar body. The term comes from the old practice of writing the names on a piece of parchment called a panel.
empannel	Put a pack saddle on to a beast of burden.
empathy	Relationship to another person whereby you are able to understand what it is like to be in the other person's position.
employ	Engage someone for paid work where there is a master and servant relationship.
employé	Old word for employee , taken from the French. The form "employee" was originally a female employee. This distinction is now lost.
employed earner	For national insurance, "means a person who is gainfully employed in Great Britain either under a contract of service, or in an office (including elective office) with general earnings" (Social Security Contributions and Benefits Act 1992 s2(1)(a)).
employee	<p>General</p> <p>Someone who is under the control of an employer. Significant tax, national insurance and pension liabilities follow from this status. For tax purposes, an employee includes an office-holder (Taxes Management Act 1970 s15(13)).</p> <p>Pensions</p> <p>For pensions, the term means "a person gainfully employed in Great Britain either under a contract of service or in an office (including an elective office) with general earnings (as defined by section 7 of the Income Tax (Earnings And Pensions) Act 2003 s181(1)).</p> <p>PAYE</p> <p>For PAYE, the word "means anyone who is gainfully employed in the UK and is:</p> <ul style="list-style-type: none">• engaged under a 'contract of service' - where you pay somebody to work for you, that arrangement will normally amount to either a contract of service (employment) or a contract for services (self-employment) - almost everyone who works for an employer will be employed under a contract of service, including full-time, part-time, casual or temporary employment - a contract need not be written, but can be a verbal or implied working agreement

- an office holder with earnings chargeable to tax - an office holder is someone appointed to hold a titled office (including an elective office), for example, a company director
 - engaged through an agency or some other party”
- (CWG Further Guide to PAYE chapter 1).

Data protection

“In relation to any person, includes an individual who holds a position (whether paid or unpaid) under the direction and control of that person” (Data Protection Act 2018 s33(2)).

employee benefit	Benefits offered to an employee by an employer and usually paid for at least in part by the employer. Life, Health and Critical Illness insurance obtained by an employer on a group basis are examples of employee benefits.
employee benefit contributions	Term used in Income Tax (Trading And Other Income) Act 2005s39 and Corporation Tax Act 2009 from s1290 in relation to an employee benefit scheme.
employee benefit package	A transaction made under such a package is not caught by the disguised remuneration rules (Income Tax (Earnings And Pensions) Act 2003 s554G).
employee benefit scheme	Scheme designed to benefit employees (Income Tax (Trading And Other Income) Act 2005 from s38).
employee benefit trust (EBT)	Body that provides benefits to employees from funds or benefits provided by an employer. “A trust set up by an employing company or its group parent company to provide employees with benefits which may take a variety of different forms” (Inspectors’ Manual at BIM 44001). A full definition is given in Income Tax (Earnings And Pensions) Act 2003 s550. Provided certain conditions are met, the employer may claim tax relief for such provision.
employee benefit trust settlement opportunity (EBTSO)	Scheme introduced for employers who attempted to avoid tax by setting up an employee benefit trust before April 2011. Such schemes have proved largely ineffective. EBTSO allows such employers to settle the tax
employee buy-out	When the employees of a business collectively acquire a majority interest. This is a form of management buy-out . Employees may do this if they believe the business is basically sound, can prosper with new management, and they can obtain the necessary finance.
employee contribution	Amount paid by an employee, particularly towards an occupational pension.

employee-controlled	<p>Description of a company.</p> <p>In relation to employment-related securities, there are special tax provisions in Income Tax (Earnings And Pensions) Act 2003 s421H.</p>
employee declaration	<p>A medical questionnaire issued to member of a group insurance scheme when the members benefit level requires the member to provide evidence of good health. This is usually the first stage of the Medical Underwriting process.</p>
employee engagement	<p>Work environment in which employees are able to make decisions that affect their work.</p>
employee handbook	<p>Document containing the employer's policies.</p>
employee indemnity insurance	<p>Insurance policy arranged by an employer to indemnify claims against an employee.</p> <p>This may be tax deductible under Income Tax (Earnings And Pensions) Act 2003 s346. The matter is discussed in the Inspector's Manual at BIM45520.</p>
employee involvement	<p>Human resources term for any arrangement whereby employees may provide input into how the organisation is run.</p>
employee leasing	<p>American term where employers obtain employees by leasing them from an agency they have formed.</p>
employee loyalty	<p>Sense of commitment which staff feel toward their employer.</p>
employee numbers	<p>These must be disclosed under Companies Act 2006 s411.</p>
employee participation	<p>Involvement of employees in the management of a business.</p> <p>The term is used to refer to employees who are not directly employed to manage, such as "shop floor workers". The participation takes the form either of ownership of share, or of attending board meetings or similar.</p>
employee pitch	<p>In relation to VAT exemption for land in the context of seasonal accommodation, "means a pitch occupied by an employee of the site operator as that person's principal place of residence during the period of occupancy" (Value Added Tax 1994 Sch 9 Group 1 Note (14A) as inserted by Value Added Tax (Land Exemption Order) SI 2012 No 58 with effect from 1 March 2012).</p>
employee referral programme	<p>Recruitment strategy where employees are rewarded for finding applicants for other positions in their organisation.</p>
employee relations	<p>General term for all management activities that relate to the management and development of relationships between management and employees.</p>
employee representatives	<p>Employees who are elected by their colleagues to negotiate with the employer in lieu of a trade union. Their election is covered by Trade Union</p>

and Labour Relations (Consolidation) Act 1992 s188A.

employee retention Policies and practices designed to encourage employees to continue to work for the employer.

Employee Retirement Income Security Act (ERISA)

In USA, an Act passed in 1974. It regulates the operation of private pension plans and employee profit-sharing schemes. It set up the Pension Benefit Guaranty Corporation which protects employees' contributions if a private scheme fails.

employee's code **Tax code** of an employee under the PAYE system.

A full definition is given in PAYE Regulations SI 2003 No 2682 reg 8.

employee self service (ESS) Web-based software application that provides employees with access to their personal records. Typically this gives details of what information the employer holds about the employee, plus information the employer has generated such as payroll data and attendance record. In some applications, the employee may be able to amend data, such as bank details and address. The file will give contact details allowing the employee to query the records.

employee shareholder Category of worker introduced by Growth and Infrastructure Act 2013 s31, effective from 1 September 2013.

Such a worker must hold at least £2,000 worth of **employee shareholder shares** in the employer. The worker sacrifices certain rights under employment law. Employees must receive independent legal advice before moving to this status.

There are special tax provisions for such shares. Any cost borne by the employer in providing legal advice is not taxed as a benefit in kind.

From 17 March 2016, there is a lifetime limit of £100,000 exemption from capital gains on shares acquired.

The tax provisions do not apply for new employee shareholders from 1 December 2016, except that it applies from 2 December 2016 if the agreement was made before 1.30pm on 23 November 2016 (Finance Act 2017 s12(7)).

employee shareholder agreement

"Means an agreement by virtue of which an employee is an employee shareholder (see section 205A(1)(a) to (d) of the Employment Rights Act 1996)" (Transfer of Capital Gains Act 1992 s149AA(6A) as amended by Finance Act 2017 s13(3)).

employee shareholder shares Shares in the employer held by an **employee shareholder** as a condition of holding that status.

Disposal of these shares are exempt from capital gains tax to a maximum of £50,000 value when provided to the employee.

For income tax and national insurance purposes, the employee shareholder is deemed to have paid £2,000 for the shares.

employee share ownership plan (ESOP)

Tax scheme which allows employees to own shares in their employer.

“A trust set up by an employing company or its group parent company to provide employees with benefits in the form of shares or options over shares in that company” (Inspectors' Manual at BIM 44001).

It is now called a **share incentive plan**.

employee share ownership trust (ESOT)

Trust set up under tax-advantaged provisions introduced in 1989. ESOTs were renamed **employee share ownership plans** in 1990.

The capital gains provisions are given in Taxation of Capital Gains Act 1992 from s227.

It is now called a **share incentive plan**.

employees' share scheme For company law purposes, the term is defined in Companies Act 2006 s1166.

employee stock ownership plan (ESOP)

American trust used to fund retirement plans for employees.

employee stock purchase plan American employer-sponsored plan that allows employees to acquire shares in the employer for less than their market value.

employee trusts

A tax-advantaged trust where an employer can provide shares in itself for the benefit of employees.

A donation to such a trust is exempt from inheritance tax (Inheritance Tax Act 1984 s28).

The capital gains tax provisions are given in Taxation of Capital Gains Act 1992 from s239.

employees' assistance programmes (EAPs)

An arrangement whereby an employer pays for someone to provide **counselling** and advice to employees as an **employee benefit**.

Typically, the employees and (usually) their families may call a telephone number at any time of the day or night to discuss personal problems in confidence. The employer does not know which employees have discussed what matters, other than getting a regular report indicating usage and the general areas of topics raised.

Provision of an EAP has been demonstrated to improve **employee loyalty** which reduces turnover and absence, and can improve **productivity**. It has been estimated that every £1 spent on an EAP leads to savings of up to £14.

employer

Person who engages someone to work for him in an employment relationship.

employer CD-ROM

Compact disc sent free by HMRC to all employers who are registered for PAYE.

The scope of the CD has improved with successive years. It now contains all the tax tables, forms, guidance, tutorials, calculators and other support the payroll department can need. The one function the CD does not have is calculation of payslips and recording of payroll data for which a commercial

package is still needed.

Employer Compliance System Part of HMRC **SAFE** computer system (Inspectors' Manual at DMBM115040).

employer diary In computing, a facility provided by HMRC's **employer CD-ROM** which gives key dates that the employer must observe.

Employer-financed retirement benefits scheme (EFRBS)

A scheme for the provision of benefits consisting of or including relevant benefits to or in respect of employees or former employees of an employer (Income Tax (Earnings And Pensions) Act 2003 s393A).

However, neither a registered pension scheme nor a section 615(3) scheme is an employer-financed retirement benefits scheme.

EFRBSs have been used for tax avoidance, though HMRC maintains they do not qualify for the necessary reliefs to be effective. Further information is given in HMRC Spotlight 6.

employer information report In the USA, an annual report required to give details of employment practice.

employer justified retirement age (EJRA)

Term used from 2011 in connection with the abolition of **default retirement age**.

The main provision is that an employer cannot insist that a person must retire at a particular age unless the employer can objectively justify that age, which is often difficult in practice.

employer of choice Employer whose policies and practices make it attractive to employees who wish to work there.

employer reference For PAYE, "means the combination of letters, numbers or both used by the Inland Revenue to identify an employer for the purposes of these Regulations" (PAYE regulations SI 2003 No 2682 reg 2(1)).

employment reference information

In relation to electronic disclosure by HMRC "means any of the following information relating to an employer —

(a) the employer's name and address;

(b) any combination of numbers, letters or characters that is uniquely associated with the employer and used by the Revenue and Customs to identify or refer to that employer, whether generally or for particular purposes".

(Digital Economy Act 2017 s77(4) and other sections).

employers' association An organisation "which consists wholly or mainly of employers or individual owners of undertakings of one or more descriptions and whose principal purposes include the regulations of relations between employers of that description or those descriptions and workers or trade unions" or of a body comprising such organisations (Trade Union and Labour Relations (Consolidation) Act 1992 s122).

employer's housing scheme

An arrangement whereby an employer compensate an employee in respect of a house transaction, such as when the employee is relocated. A payment under such an arrangement may not be taxable as it has the nature of compensation rather than earnings. Such a case is *Hochstrasser v Mayes [1959] 38TC673*. The matter is discussed in the inspectors' manual at EIM00750.

employers' liability insurance Insurance cover which legally every employer must have to protect its employees.

employers' national insurance (ENI)

Name commonly given to secondary class 1 national insurance.

It is the amount that the employer pays from their own funds, as against the primary class 1 which is deducted from the employee's pay.

employer's PAYE reference "In relation to an employer, means the combination of the employer's **employer reference** and the Inland Revenue office number" (PAYE Regulations SI 2003 No 2682 reg 2(1)).

employer-supported childcare (ESC)

Any arrangement whereby an employer provides assistance in funding childcare for an employee.

Three forms of ESC are tax advantaged: **workplace nurseries, directly contracted childcare** and **childcare vouchers**.

employing company

Company that may claim tax relief for employee share schemes, as explained in the Inspector's Manual at BIM 44300.

employment

Taxation

State of working for another person.

For tax purposes, employment includes;

"(a) any employment under a contract of service;

(b) any employment under a contract of apprenticeship; and

(c) any employment in the service of the Crown."

(Income Tax (Earnings And Pensions) Act 2003 s4(1)).

Social Security

For social security, the term "includes any trade, business, profession, office or vocation" (Social Security Contributions and Benefits Act 1992 s122(1)). The same definition applies for pensions under Pension Schemes Act 1993 s181(1).

Corporation tax relief for employee share acquisitions

For this purpose, "employment includes a former employment" (Corporation Tax Act 2009 s1002(2)).

Employment Acts

Laws passed at various times to regulate trade unions and other matters relating to employment.

employment agency Organisation which finds work for its clients, either as a temporary employee or as a permanent placement.

Employment Alignment Submission (EAS)

An additional one-off return that at an employer may be required to make with the first **full payment submission** under **real time information** for the PAYE payroll. Such a submission is likely to be made in 2013.

EAS is also known as Payroll Alignment.

An EAS is required if either:

- the payroll has more than 250 employees, or
- the payroll is split (such as having a weekly payroll and a monthly payroll, or splitting it between two payroll suppliers).

employment and support allowance (ESA)

Social security payment which replaces income support and incapacity benefit. It is introduced by Welfare Reform Act 2007 s1. It was introduced on 27 October 2008.

It is payable either as a contributory allowance or as an income-related allowance.

The income-related allowance is to be abolished and replaced by **universal credit** under Welfare Reform Act 2012 s33(1)(b).

employment at will

Legal principle that employment may be terminated by employer or employee at will.

In UK law, there are restrictions on this right by the employer set out in employment law. The employee is usually restricted in terms of needing to give notice.

employment benefit trust (EBT)

Trust set up (usually by the employer) for the benefit of employees. Payments from the trust are generally regarded as taxable employment income under Income Tax (Earnings And Pensions) Act 2003 s62.

A leading case was *Brumby v Milner* [1976] 51TC83. The matter is discussed in the inspectors' manual at EIM00740.

employment branding

In human resources, a combination of marketing, communication and other management methods to give the organisation greater visibility.

employment change

Change of an employee's residence caused by a change of workplace (Income Tax (Earnings And Pensions) Act 2003 s275).

An employer may make a tax-free contribution of up to £8,000 towards **relocation expenses**.

employment cost index

American term for Department of Labor's index of changes in wages, benefits and bonuses for specific occupations.

employment detriment

Any action taken against an employee short of dismissal.

employment E Term used in Income Tax (Earnings And Pensions) Act 2003 s188 in relation to the taxation of an **employment-related loan** that is released or written off.

Employment Eligibility Verification (EEV)

American term for the form which (from 6 November 1986) the US Department of Homeland Security requires job applicants to complete.

employment income

Category of taxable income formerly known as Schedule E. It is generally collected under the **PAYE system**.

The scope of employment income is defined in Income Tax (Earnings And Pensions) Act 2003 s7(2) as meaning earnings as defined in Chapter 1 of Part 3 of that Act, and other amounts which the Act requires to be treated as earnings.

The section distinguishes between general earnings and specific employment income. The difference is that some expenses may only be deducted from specific employment income.

Employment income almost all forms of cash payment made to an employee. This includes salaries, wages, fees, gratuities, profits, benefits in kind, and statutory payments.

employment income amount Term used in relation to calculating capital gains tax on **employment-related securities** (Taxation of Capital Gains Act 1992 s120).

employment income exemption

“Means an exemption from liability to income tax in respect of earnings” as listed in Income Tax (Earnings And Pensions) Act 2003 s227(4).

employment income provided through third parties

Tax avoidance scheme, in effect outlawed by Finance Act 2011 Sch 2.

employment income tax charge

In relation to employment benefit trusts, "means a charge to tax under ITEPA 2003 (whether on the recipient or on someone else)" (Corporation Tax Act 2009 s1292(7)).

employment-injury assistance Money or other assistance that may be provided in Scotland under Social Security (Scotland) Act 2018 s33.

employment intermediary

For the purposes of keeping tax records, “is a person who makes arrangements under or in consequence of which —

(a) an individual works, or is to work, for a third person, or

(b) an individual is, or is to be, remunerated for work done for a third person”

(Income Tax (Earnings and Pensions) Act 2003 s716B(2) as inserted by Finance Act 2014 s18(1)).

In relation to travelling expenses, the term is defined as “a person, other than the worker or the client, who carries on a business (whether or not with a view to profit and whether or not in conjunction with any other business) of supplying labour” (Income Tax (Earnings and Pensions) Act 2003 s339A(11) as

inserted by Finance Act 2016 s14).

employment office	Office which finds jobs for people.
employment officer	For jobseeker's allowance, "means an officer of the Secretary of State or such other person as may be designated for that person by an order made by the Secretary of State" (Jobseekers Act 1995 s35(1)).
employment pattern	Extent to which households have earners as members. From the 1970s to 1990s, the UK experienced a significant change in patterns with many more families without any earners. This is attributed to the growth of single parent households.
employment polarisation	Economic term for the growing disparity between no-earner households and two-earner households.
employment practice	Any policy that relates to the recruitment, hiring, selection, promotion, transfer, protection or dismissal of employees.
employment practices liability insurance (EPLI)	American insurance plan that provides employers with protection against employment liabilities such as discrimination or unfair dismissal.
employment protection entitlement	<p>Sum paid to an employee who has been reinstated after a procedure under employment law.</p> <p>Social Security Contributions and Benefits Act 1992 s112 treats such entitlement as earnings for class 1 national insurance.</p>
employment purposes	In relation to medical records, "in the case of any individual, means the purposes in relation to the individual of any person by whom he is or has been, or is seeking to be, employed (whether under a contract of service or otherwise)" (Access to Medical Records Act 1988 s2(1)).
Employment Recognition Scheme (ERS)	Scheme introduced by the government in 2014 in recognition of employers who support the armed services. ERS holders typically encourage the recruitment of armed forces personnel and veterans, and make it easy for employees to be reservists. Such businesses sign the Armed Forces Covenant.
employment-related annuities	Term used in Income Tax (Earnings And Pensions) Act 2003 s609 which discusses their tax treatment.
employment-related benefit	<p>"Means a benefit, other than an excluded benefit, which is provided in a tax year —</p> <ul style="list-style-type: none">(a) for an employee, or(b) for a member of an employee's family or household, <p>by reason of the employment"</p>

(Income Tax (Earnings And Pensions) Act 2003 s201(2)).

employment-related loan Loan made to an employee or to a relative of the employee and which is either interest-free or where interest is charged at less than a commercial rate. It is taxable as a benefit in kind unless the loan is for less than £5,000.
A full definition is given in Income Tax (Earnings And Pensions) Act 2003 s174(2).

employment-related securities (ERS)
Shares and other forms of security provided through employment.
The definition is given in Income Tax (Earnings And Pensions) Act 2003 Part 7 Chapters 1-4.
For capital gains tax, Taxation of Capital Gains Act 1992 s119A uses the same definitions as for income tax.

Employment Retirement Income Security Act (ERISA)
American law of 1974 that regulates provision of employee benefit plans.

employment status indicator (ESI)
Program on the HMRC website designed to assist taxpayers in determining whether they are an employee or self-employed.
From 6 April, this is replaced by the **employment status service (ESS)**.

employment status service (ESS)
Program on the HMRC website that replaced the employment status indicator from 6 April 2017. It serves the same function but asks some additional questions to allow for changed rules when IR35 workers are engaged in the public sector.
The ESS indicates whether a worker is employed or self-employed.

employment tax credit Proposed means-tested social security benefit announced in November 1999 but never introduced. Elements of it can be found in universal credit.

employment torts In USA, grounds on which employment litigation is based.

employment tribunal Non-departmental public body that adjudicates in disputes relating to employment.
They were first set up under Industrial Training Act 1964 when they were known as industrial tribunals. They comprised a lawyer as chairman, with two other members, one from management and one from a trade union. They primarily dealt with issues relating to trade disputes.
Their work load increased significantly when unfair dismissal became unlawful in 1971.
They changed their name to employment tribunals in 1988 under Employment Rights (Dispute Resolution) Act 1988.
Fees were introduced for their services from 29 July 2013.

employment tribunal fees These fees were introduced on 29 July 2013 to discourage claims. They ranged from £160 to over £1,000. Claims fell in number by 70%. On 29 July 2017, the Supreme Court ruled that these fees were illegal as disproportionate and

discriminatory (*R (on application of Unison) v Lord Chancellor [2017] UKSC 51*).

employment tribunal panel	Panel of three members which hears cases at an employment tribunal. They comprise a legally qualified chairman with two lay members, one representing employers and one representing workers.
employment unit	The whole or part of a trading business for the purposes of profit-related pay , which allowed tax relief between 23 July 1987 and 31 December 1999.
employment visa	American immigration-issued document that allows non-Americans temporary residence to work in the USA.
empowerment	Strategy aimed to give people more control and responsibility for their work.
emprise	Old term for an enterprise or hazardous pursuit.
EMPS	Handbook Guide for energy market participants, published by the Financial Services Authority.
empty chance	Term used by early Greeks and Romans to mean an eventuality considered so unlikely as not to be worth betting on.
empty dwelling management order (EDMO)	Order which a local authority may issue under Housing Act 2004 s132 to bring an empty dwelling back into use. Such an order is either an interim EDMO or a final EDMO.
empty spam	Unsolicited e-mail message which seems to have no purpose. It may include a passage from classical literature.
empty suit	Pejorative term for a man who acts in a manner required of him but makes no contribution to the organisation which engages him.
EMS	European Monetary System.
EMTR	Effective marginal tax rate.
EMU	European Monetary Union.
enabler of defeated tax avoidance	Such a person can be subject to a tax penalty under Finance (No 2) Act 2017 s65 and Sch 16.
enabling act	Act of Parliament which allows laws to be made by someone else, usually a government minister.
enabling letter	Informal term used for a letter that HMRC to a particular group of taxpayers, pointing out their responsibilities regarding tax. Such letters commonly explain common errors, such as not claiming personal expenditure from business profits.

The letter is not an enquiry into the taxpayer's affairs, and does not imply that there is any problem with them.

enactment	Process by which a rule is made part of the law. The term "does not include an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament" (Interpretation Act 1978 Sch 1).
en ami	French: as a friend.
enantiosis	Expression of an idea by the negation of a contrary view.
en attendant	French: in the meantime.
en autre droit	Latin: in the right of another.
encash	To turn a document, such as a cheque, into cash.
encouragement award	Sum paid to an employee in respect of a suggestion that the employer does not follow up. A sum of £25 may be paid tax-free (Income Tax (Earnings And Pensions) Act 2003 s322(1)).
encryption	Process of putting a message into a code.
encumbrance	Liability which attaches to property.
endangered species	Plants and animals that are considered to be at risk of extinction. The exact scope is determined by CITES . Customs may seize any such plants or animals that are imported into the UK. This includes goods made from such plants or animals, even if legally acquired overseas. This includes caviar, ivory, coral, shells and skins of crocodiles, alligators and snakes.
ending inventory	American term for closing stock .
end-of-day sweep	Automatic transfer of all funds in one bank account to another at the end of each working day. The funds are transferred to an account that pays interest.
end of life vehicle (ELV)	Vehicle that has reached the end of its life, in that it either no longer can safely or legally be driven, or that its repair cannot be cost-justified. Such vehicles must be disposed of by an authorised transfer facility which will provide a certificate of destruction . This ensures that the vehicle is disposed of in a way that does no environmental damage and complies with EC directives 2000/53/EC, the ELV directive. This directive is amended by further directive 2017/2096/EC, though the UK will have left the EU by the time this becomes law.
end of period statement	Statement that HMRC may require from a business with regard to how it has calculated profits, losses or income for a period. The authority for such a statement is in Taxes Management Act 1970

Sch A1 para 8 as inserted by Finance (No 2) Act 2017 s60(2).

end of the employee's strike action

"Means any of the following —

(a) the employee is no longer absent from work because of the trade dispute,

(b) the employer ceases to employ the employee.

(c) the employee has become genuinely employed elsewhere in the occupation which the employee usually follows

(d) the employee has become regularly engaged in some other occupation, or

(e) the employee dies."

(PAYE Regulations SI 2003 No 2682 reg 64(11)).

This is the point where the employee may receive any refunds of tax that have been generated under the PAYE system but which may not be paid to the employee during a trade dispute.

endorse

Make payable to someone else.

endorsed

International financial reporting standards approved for use in Member States of the European Union through a formal process of **endorsement**.

endorsee

Person to whom a cheque or other document is endorsed.

endorsement

(1) In insurance, an amendment of a policy that alters the provisions of the contract.

(2) In banking, an alternative spelling for **indorsement**.

endorser

Person who endorses a cheque or other document to another person, known as the **endorsee**.

endowment

A life assurance policy related to a mortgage designed to pay off the amount originally borrowed at the end of the mortgage term. An endowment policy will pay you a fixed amount on a set date or if you die before that date, in other words it's both a way of saving and life insurance. People often use endowments to repay interest only mortgages. The drawback of them is that it is often unclear how much you are having to pay in charges and the plans are often very rigid, so if you start an endowment and then decide to cancel it, you might not get back what you paid in.

endowment assurance

Insurance policy where the proceeds are invested in shares and similar. The proceeds are paid to the insured if he survives to a particular date, or to his estate if he dies before then.

endowment fund

Fund where, generally, only the interest may be spent.

endowment insurance

Alternative though less accurate term for **endowment assurance**.

endowment mortgage

Mortgage where the mortgagor only pays interest to the lender, with a monthly premium for an endowment policy taken out with an insurance

company.

The endowment policy is designed to produce a lump sum either at the end of your mortgage term or at your death if earlier, to repay the capital you borrowed. You must remember though that the amount paid out is not guaranteed and may not be sufficient to repay the capital borrowed.

endowment policy

Another term for **endowment assurance**.

enduring

Term used in relation to the benefit to be derived from an asset for its acquisition to be taxed as capital rather than revenue. The Inspectors' Manual at BIM35901 explains that there is no formal time limit as the matter must be determined by other criteria. It should be noted that the life of the benefit is distinct from the life of the asset itself, which must be at least two years.

enduring power of attorney (EPA)

Power of attorney which can continue after a person has lost the mental capacity to act for himself.

From 1 October 2007, this is replaced by the **lasting power of attorney** under Mental Capacity Act 2005. An existing EPA remains in effect.

end use

Arrangements which allow certain imported goods to be declared for free circulation in the EU at a reduced or nil rate of duty, provided they are put to a prescribed use under customs control.

end-use relief

Form of Customs relief for certain imported goods provided they are put to the stated use within an agreed time limit.

end user

Final user of an item. **Value added tax** is designed so that the ultimate burden of the tax is borne by the end user.

end use relief

Arrangement whereby goods may be imported without payment of customs duty or at a reduced rate of duty because of the end use to which the goods will be put.

enemy

For purposes of Trading with the Enemy Act 1939 means a country which is at war with the monarch.

The statutory definition is that an enemy "includes —

(a) all persons engaged in armed operations against any of Her Majesty's forces or against any force co-operating with any of Her Majesty's forces;

(b) all pirates; and

(c) all armed mutineers, armed rebels and armed rioters"

(Armed Forces Act 2006 s374).

In terms of seizure of assets, a distinction is made between a belligerent enemy and a technical enemy. A belligerent enemy is a country with whom Britain was at war (Germany, Italy, Japan and their allies) while a technical enemy is a country occupied by a belligerent enemy.

enemy alien

A citizen of a country with whom Britain at war. The term has the same meaning as **enemy subject**.

An enemy alien cannot make a valid contract in the UK, and any extant contract at the start of the war is suspended. An enemy alien cannot inherit property.

Under Finance Act 1944 s42 and Sch 4, whoever holds property than an enemy alien would otherwise inherit must account for estate duty on it. This law remains in force.

enemy currency

Currency of a country with whom the UK is at war or of a country controlled by an enemy.

Purchasing such currency is an offence under Trading with the Enemy Act 1939 s6.

enemy debt

Debt owed to a country with which the UK is at war or owed to a person or business resident or controlled by such a country. Such debts are paid to custodians of enemy property under Trading with the Enemy Act 1939 s7.

enemy debts

Debts incurred by an **enemy subject** between 1 April 1939 and 31 December 1946 which were written off. There remains a special tax provision under Finance Act 1950 s39.

Enemy Property Compensation Advisory Panel (EPCAP)

Body established to pay compensation to those who had property seized by British authorities under Trading With the Enemy Act but who were victims of Nazi persecution or who were simply resident in a country occupied by the enemy. The body was established in 1999.

enemy subject

“Means —

(a) an individual who, not being either a British subject or a British protected person, possesses the nationality of a State at war with His Majesty, or

(b) a body of persons constituted or incorporated in, or under the laws of, any such State”

(Trading with the Enemy Act 1939 s15).

enemy territory

“Any area which is under the sovereignty of, or in the occupation of, a Power with whom His Majesty is at war, not being an area in the occupation of His Majesty or of a Power allied with His Majesty”

(Trading with the Enemy Act 1939 s15).

energy

In terms of **fuel poverty**, means gas or electricity or both (Energy Act 2010 s29(5)).

energy bar

Food product designed to provide energy to the eater.

For VAT, such a bar largely made from fruit was held to be zero-rated as food in the case *SIS (Science in Sport) Ltd (No 2) [2000] VTD 17116*.

But in another case, where sweetening had been added, it was held to be standard-rated confectionery (*EJ Huczek [1992] VTD 8850*).

energy costs

Amounts spent on electricity, gas and other forms of energy.

For a business, these are generally deductible from profits assessable to

income tax or corporation tax.

Energy Demand Reduction (EDR)

Scheme introduced by the Department of Energy and Climate Change to support projects that deliver lasting reductions in electricity demand through installation of energy efficiency measures .

Projects above a minimum size (50kW) are eligible to bid for funding through an auction. Successful projects are paid following delivery of the electricity savings. Phase II of the pilot was launched in June 2015 with £6 million available to be allocated in an auction in 2016. The purpose of the pilot is to test whether electricity demand reduction measures could participate in Great Britain's electricity capacity market and to learn lessons about electricity demand reduction.

energy drinks

For VAT, these are generally zero-rated as food, though there are some exceptions as set out in VAT notice 701/14.

energy efficiency

Aspects of energy which relate to consumption of energy, conservation of energy and generation of energy.

These are factors which are considered in deciding whether a dwelling is a **zero-carbon home** as defined by Finance Act 2003 s58B as inserted by Finance Act 2007 s19.

Energy-efficiency elements in a property are ignored when determining its value for council tax.

energy generation

This activity is, from 6 April 2016, excluded from the scope of activities for which tax-advantaged investments may be made. The scope is set out in Income Tax Act 2007 s192(1) as amended by Finance Act 2016 s28.

energy products

For the purposes of oil duty, "means a substance which —

(a) is an energy product for the purposes of Council Directive 2033/96/EC restructuring the Community framework for the taxation of energy products and electricity, and

(b) is not (apart from as a result of this section) hydrocarbon oil or road fuel gas within the meaning of the [Hydrocarbon Oil Duties] 1979 Act" (Finance Act 1993 s10).

energy-saving materials

The cost of materials and of fitting them may qualify for the reduced rate of VAT under Value Added Tax 1994 Sch 7A Group 2. The scope was amended from 1 August 2013.

energy shares

Shares in companies which provide energy, such as gas, electricity and oil companies.

energy-saving item

Expenditure which qualifies for a special allowance for corporation tax under Income and Corporation Taxes Act 1988 s31 as inserted by Finance Act 2007 s17, or by Corporation Tax Act 2009 s251.

Such an asset may qualify for a first year allowance under Capital Allowances Act 2001 s45A. The allowance was first introduced on 11 May 2001.

The scope of what comprises such an item is given in Treasury regulations.

energy-saving materials These may qualify for the reduced rate of VAT under Value Added Tax 1994 Sch 7A Note 1.

Income tax relief for expenditure on such materials may be given to landlords under Income Tax (Trading and Other Income) Act 2005 s312.

Energy Savings Opportunity Scheme (ESOS)

A mandatory energy measurement and auditing scheme.

It applies to large undertakings in the UK and small or medium undertakings which are group undertakings in respect of such a large undertaking, not including public bodies (as defined in the scheme). These organisations are required to calculate their total energy consumption and ensure that at least 90% is subject to energy audits every four years, unless it is covered by a certified ISO500014 energy management system or connected to a building with a valid display energy certificate or green deal assessment.

The scheme covers all energy consumed by assets held, and activities carried on, by undertakings including energy consumed by buildings, transport and industrial processes. Acting on audit findings is voluntary. While participants are required to provide notice of compliance, ESOS is not strictly a reporting scheme.

energy services agreement Agreement between an **energy services provider** and a client.

For long funding leases, a full definition is provided in Capital Allowances Act 2001 s175A as inserted by Finance Act s66 and Sch 18.

energy services provider For the purposes of long funding leases, "means a person carrying on a qualifying activity consisting wholly or mainly in the provision of energy management services" (Capital Allowances Act 2001 s175A(2)).

energy tax Name given to **climate change levy**, though the name is now never used.

Energy Tax Act American law of 1978 that imposes taxes designed to promote environmentally-friendly products and behaviour.

Energywatch Popular name for the **Gas and Electricity Council** which is abolished by Consumers, Estate Agents and Redress Act 2007 s30 and replaced by the **National Consumer Council**.

en evidence French: to the fore.

enfant terrible Moral or social nuisance. The word literally means a terrible child.

enfeoffment Surrendering the possession of an estate.

enforced retirement When an employee is required to retire even though he or she may not wish to.

enforcement	Proceedings to make a person comply, particularly with a court judgment.
enforcement action	In relation to trade between a small business and a larger company , this term is given a specific meaning in Regulatory Enforcement and Sanctions Act 2008 s25A as inserted by Enterprise Act 2016 s20.
Enforcement and Compliance Dispute Resolution Board (ECDRB)	Board of HMRC that comprises various senior staff. Its constitution and functions are set out in an HMRC Notice of 20 December 2013.
enforcement notice	Notice that enforces a law, rule or other provision where there has been non-compliance. The term is used in Energy Act 2016 s43 when there has been a failure to comply with a petroleum-related requirement. The term is used in Data Protection Act 2018 s149 which the Information Commissioner serves on a data controller or processor to ensure compliance with data protection law.
enforcement officer	Another term for a bailiff.
enforcement receiver	Person appointed to recover property which is the subject of a confiscation order (Proceeds of Crime Act 2002 s50).
enfranchisement	Giving freedom or a political right to. In company law, it refers to when the vote is given to shareholders who previously had no vote.
engagement	(1) Hiring a person for work, either as an employee or self-employed. (2) Period when two people formally state their intention to marry.
engagement letter	Letter sent by a professional person, such as an auditor, to a client outlining the work to be done, setting out the terms for the work and containing similar material.
engagement team	In auditing "any person who is directly involved in the audit" (APB ES 1 para 16(a)). This comprises " (i) the audit partners, audit managers and audit staff; (ii) professional personnel from other disciplines involved in the audit (for example lawyers, actuaries, taxation specialists, IT specialists, treasury management specialists); (iii) those who provide quality control or direct oversight of the audit".
Engels' Law	People's spending patterns change as their income rises.
Engineering and Physical Sciences Research Council	Committee of United Kingdom Research and Innovation (Higher Education and Research Act 2017 s92(1)).

engineering psychology	Branch of psychology which is concerned about the relationship between people and machines.
England	<p>“Means, subject to any alteration of boundaries under Part IV of the Local Government Act 1972, the area consisting of the counties established by section 1 of that Act, Greater London and the Isles of Scilly” (Interpretation Act 1978 Sch 1).</p> <p>“In this section, England does not include the administrative county of Monmouthshire or the county borough of Newport” (Local Government Finance Act 1972 s1(12)).</p>
English as a second language (ESL)	In employment, the training provided to workers to speak English when this is not their primary language.
English letting agency work	This term is defined in Housing and Planning Act 2016 s56.
English list	<p>In relation to non-domestic rates, “means —</p> <ul style="list-style-type: none">(a) a local authority non-domestic rating list that has to be compiled for a billing authority in England, or(b) the central non-domestic rating list that has to be compiled for England” <p>(Local Government Finance Act 1988 s55(8) as inserted by Enterprise Act 2016 s32).</p>
Englishman's castle	Poetic term for an English home, so-called because a bailiff does not have the right to break into it when closed.
English NHS charity	NHS charity in England, as defined in Charities Act 2011 s149(7).
English-only rule	American practice that requires employees to speak only in English at the workplace.
English property management work	This term is defined in Housing and Planning Act 2016 s56.
English shilling	Particular design of shilling minted from 1937, but legal tender throughout the UK.
English statutory apprenticeships	<p>“Means —</p> <ul style="list-style-type: none">(a) approved English apprenticeships within the meaning given in section A1;(b) apprenticeships undertaken under apprenticeship agreements within the meaning given in section 32 that were entered into in connection with recognised English frameworks,(c) apprenticeships in relation to which alternative English completion arrangements apply under section 1(5);(d) apprenticeships undertaken under arrangements made in relation to England under section 2 of the Employment and Training Act 1973 that are

identified by the person them as arrangements for the provision of apprenticeships”
(Apprenticeships, Skills, Children and Learning Act 2009 s40A(3) as inserted by Enterprise Act 2016 s26).

enhanced capital allowance (ECA)

Particularly high rate of capital allowance allowed for environmentally friendly assets.

enhanced loss relief

Loss relief for businesses where a loss earned in a year may be offset against taxable profits for *previous* years. It was introduced in 2008.

enhanced remote transit shed A **transit shed** which is not near to an approved wharf where imported goods are unloaded.

Enhanced remote transit sheds were first allowed in 1993. They allow goods to be held pending payment of customs duties. They are subject to strict security arrangements. The operators of such facilities are usually required to provide a financial undertaking in a **deed of undertaking**.

enhanced television

In marketing, interactive television applications, such as playing games or responding to advertisements.

Enhanced Thinking Skills (ETS) Accredited programme run in prisons to improve **thinking skills** of prisoners as a means of reducing further offences.

enjoyment conditions

Term used in relation to countering avoidance from **transfer of assets abroad**. The term is defined in Income Tax Act 2007 s723. There are four conditions.
The term is also used in Taxation of Capital Gains Act 1992 s103KG.

enlarge an estate

Increase the scope of an estate, particularly for land, such as when a life tenant buys out the rights of a remainderman.

enlightened shareholder value

Term used for the requirement in modern company law where the directors must consider the interests of others as well as the interests of shareholders.

en masse

French: as the whole lot, as in moving en masse.

Ennals, David

English Labour politician (1922-1995) who was Secretary of State for Health and Social Services from 8 April 1976 to 4 May 1979.

ennoblement

Process of making someone into a peer.

enormity

Great wickedness, as of a crime.
Note that this is not the noun for “enormous” which is “enormousness”.

enosis

Policy of the Greek Cypriot movement for union with Greece.

en passant

French: in passing, by the way.

en pension	French term used to describe a person paying for his board and lodging. It specifically refers to someone paying a fixed rate for such provision.
en poste	French: in post. A term used to describe a diplomat.
en principe	French: in principle.
en pure perte	French: to a mere loss, to no purpose.
enquiry window	Period in which the tax authorities may enquire into a tax return. The period is usually 12 months. For corporation tax this runs from when the return is received by HMRC; for income tax and capital gains tax this runs from the due date . HMRC may enquire after this date if fraud or negligence is suspected, or where sufficient information has not been disclosed on the tax return.
en règle	French: in due order, according to a rule.
en retraite	French: in retirement, on half-pay.
en revache	French: in return or requital.
enrol	A term used for the process of signing up for a duty or service. The term is particularly used for enrolling for VAT Online Services. Once a trader has signed up for VAT Online Services he enrolls by providing information about his business.
ensilage	Storage of grain or fodder in silos.
ens legis	Latin: legal entity.
ensonens	Term for the part of the brain that was once believed to respond to financial information.
enstamp	To mark with a stamp.
entail	Legal condition which passes ownership of property to another person. The term originally meant a piece of property which was cut off from a testator's estate as it had to pass according to the law and could not be left in a will. There is no such provision under English law, but there is under French law.
enter	(1) Make a record of a transaction in the accounts. (2) Go into premises.
entered for home use	Term used for purchase tax in relation to goods intended to be consumed or used in a normal home.
entered premises	Premises and plant, pipes and vessels thereon described on an excise entry delivered to an HM Revenue & Customs (HMRC) officer in accordance with

the Customs and Excise Management Act (CEMA) 1979, sections 108 to 111 or under the Hydrocarbon Oil Regulations (HOR Regn 3).

entering a new product or geographical market

In relation to enterprise investment scheme, this term "has the same meaning as in Commission Regulation (EU) No 651/2014 (General block exemption Regulation)" (Income Tax Act 2007 s175A(8) as inserted by Finance (No 2) Act Sch 5).

The same definition is used for venture capital trusts in Income Tax Act 2007 s280C(9) as inserted by Finance (No 2) Act Sch 6.

entering short

When bills of exchange are paid to a banker to receive the amount due.

enterprise

General term for any business or commercial activity.

Enterprise Allowance Scheme (EAS)

Government scheme that ran from August 1983 to April 1991 to assist unemployed people start their own business. Those who had been unemployed for eight or more weeks and who put £1,000 of their own money into a business could claim £40 a week for up to one year. It was replaced by the **Business Start-up Scheme**.

enterprise area

Area in which **community investment tax relief** may be claimed. The relevant law is Income Tax Act 2007 ss333-382 and Corporation Tax 2010 ss218-269).

Enterprise Investment Scheme (EIS)

Form of investment which attracts generous tax relief. It was introduced on 1 January 1994 as a replacement for the **Business Enterprise Scheme**. The law is found in Taxation of Capital Gains Act 1992 s150A, Sch 5B and Sch 5BA.

The main elements are:

- 30% up-front income tax relief for the investor
- maximum subscription is £1 million per investor per year
- no capital gains tax on gains made after five years (three years before 6 April 2000)
 - an investor may defer capital gains realised on a different asset where disposal of that asset was less than 12 months before or 36 months after the EIS investment
 - investee company must not have assets greater than £15 million or more than 250 employees
 - capital invested must be employed within 24 months
 - investee company must not be listed
 - investor may not have more than a 30% interest in the company or any other form of controlling interest
 - EIS may not be used as part of a tax avoidance scheme.

It should be noted that the rules for EIS are interpreted strictly. There have been many cases when tax relief has been lost through no fault of the investor.

Different rules have applied at different times.

Help is provided by HMRC in helpsheet HS341.

Help is also available from the **Enterprise Investment Scheme**

Association.

If the investee company is a new company, more generous tax relief may be obtainable through **seed enterprise investment scheme**.

Enterprise Investment Scheme Association (EISA)

“The EIS Association (EISA) is the official trade body for the enterprise investment scheme. EISA is a highly effective not for profit organisation which exists to aid the provision of capital to UK small and medium-sized enterprises (SMEs) through the enterprise investment scheme (EIS) and the seed enterprise investment scheme (SEIS)” (website).

enterprises for disadvantaged communities

These “include —

(a) enterprises located in disadvantaged areas, and

(b) enterprises owned or operated by, or designed to serve, members of disadvantage groups”. (Income Tax Act 2007 s340(3)).

The term used in connection with **community investment tax relief**.

enterprise management incentive (EMI)

“Option over shares in an EMI company which qualifies for tax advantages under [Income Tax (Earnings And Pensions) Act 2003 from Sch 5, previously Finance Act 2000 Sch 14]” (Inspectors' Manual at BIM 44001).

The tax provisions are set out in Income Tax (Earnings And Pensions) Act 2003 from s527.

enterprise value

Measure of the worth of a company's continuing operations.

enterprise zone (EZ)

Area of the country where businesses are given special tax and other incentives to run their businesses.

The first zones came into operation from 11 June 1981 to 21 October 1996. The main tax benefit was a 100% **initial allowance** for **industrial buildings** in the first 20 years. There were some other tax reliefs that lasted for 10 years.

Enterprise zones were revived for an eight-year period between 1 April 2012 and 31 March 2020. The areas are designated as EZs under provisions of Capital Allowances Act 2001 s45K. They qualify for a 100% first year allowance for spending on certain items of plant and machinery.

The period was originally five years, but was extended to eight by Finance Act 2014 s64(5)(a).

enterprise zone allowance (EZA)

Special 100% **initial allowance** allows for **industrial buildings** in an **enterprise zone**.

enterprise zone trust

Property trust that invests in **enterprise zones**.

entertain

This term is used in Value Added Tax 1994 s84(3)(a) to mean the start of tribunal proceedings. The exact meaning of the term was considered by the Court of Session in the case *Customs & Excise v Hubbard Foundation Scotland*. CS [1981] STC 593.

For tax implications for other meanings of the word, see **entertainer** or **entertainment**.

entertainer

National insurance

For **categorisation** of earners for national insurance, “means a person who is employed as an actor, singer or musician, or in any similar performing capacity” (Social Security (Categorisation of Earners) Regulations SI 1978 No 1689 reg 1(2)).

The position for various types of entertainer was examined in the case *ITV Services Ltd. TC 836*. As a result of this, HMRC issued Brief 10/11.

Expenses

Agency fees paid by entertainers are allowable (Income Tax (Earnings And Pensions) Act 2003 s352).

The provision for an overseas entertainer is set out in Income Tax (Trading And Other Income) Act 2005s13.

VAT flat rate scheme

Under the VAT flat rate scheme, the appropriate percentage is:

From	Percentage
4 January 2011	12.5%
1 January 2010	11%
1 December 2008	9.5%
1 January 2004	11%

entertainment

Accounting

In accounting, expenses of looking after people, particularly customers.

Direct taxes

The term “includes hospitality of any kind” (Income Tax (Trading And Other Income) Act 2005s45(4)(b) and Corporation Tax Act 2009 s1298(5)(b)).

There are some exceptions set out in Income Tax (Trading And Other Income) Act 2005 s46 and Corporation Tax Act 2009 s1299. These include when entertainment is the taxpayer's business.

In general, the cost of entertaining customers and others is generally not tax-deductible (Income Tax (Trading And Other Income) Act 2005s45 and Corporation Tax Act 2009 s1298(2)).

The cost of entertaining staff at parties is exempt from tax under Income Tax (Earnings And Pensions) Act 2003 s264. Third party entertainment is exempt under s265. “Entertainment includes hospitality of any kind” (ibid s356(3)(a)).

See also **business entertainment**.

VAT

Entertainment means “hospitality which is provided free to the recipient” (*Celtic Football and Athletic Co Ltd v CE [1983] STC 470*).

The subsequent case of *Customs v Kilroy Television Co Ltd [1997] STC 901* held that entertainment included arrangements where payments were made but were not "proper and sufficient".

Drama, music etc

In general, drama, music and similar. For national insurance, this is defined by reference to the definition of **entertainer**.

entertainment allowance	Amount which an employee is allowed to spend entertaining clients.
entertainment expenses	Amount which an employee has spent entertaining clients. Such expenses are generally disallowed for income tax, corporation tax and VAT purposes. Before 15 March 1988, a deduction could be made for entertaining overseas customers.
entertainment provider	Person who provides hospitality and other entertainment services. The services of such a provider are usually not tax deductible under the general disallowance of entertainment expenditure. In the accounts of the provider itself, such expenditure is allowable as it is wholly and exclusively incurred for its business. The matter is discussed in the Inspector's Manual at BIM 45060.
entertainment shows	Such television programmes are excluded from the scope of television production relief by Corporation Tax Act 2009 s1216AD(1)(c).
enthusiasm	Keeness and self-motivation in a particular area. The word originally meant a person's belief that he was God.
entire contract	Contract where each side's consideration must be wholly performed or provided. It is not possible for the contract to have partial performance.
entirety doctrine	Method used to distinguish between revenue repairs and capital expenditure for tax purposes. A leading case is <i>Bullcroft Main Collieries Ltd v O'Grady [1932] 17TC93</i> . The matter is discussed in the Inspectors' Manual at BIM35330.
entitled destinations	Destinations within the EU eligible to receive Common Agricultural Policy (CAP) export refunds.
entitled passenger	A person travelling by sea or air to a country outside the fiscal/customs territory of the EU and in possession of a valid transport document.
entitled vessel	A vessel with authority from HMRC to receive duty-free stores.
entitlement	Something which a person has a right to, however that right arises.
entitlement category	Letters on the face of a photocard driving licence which indicate the categories of entitlement under the European Union directive.
entitlement issue	Offer made by a quoted company to its existing shareholders inviting them to buy a number of shares in proportion to their existing holdings at a discount.

It is similar to a **rights issue**, except that the right itself cannot be sold.

entity	Something that exists independently, such as a business which exists independently of the owner.
entity account	Term used for FATCA regulations in respect of an account opened for a non-individual body, such as a company, partnership, branch or trust.
entity combination	When two or more entities, not necessarily commercial enterprises, become one. For accounting purposes, Financial Reporting Standard FRS 102 treats this in the same way as a business combination .
entity convention	Accounting convention that a set of accounts are produced only for a single legal entity or equivalent. This is not an official accounting convention but is widely recognised in practice.
en train	French: in progress.
entrant	"Person entering or seeking to enter the United Kingdom" (Immigration Act 1971 s33).
entresure	To lay up as treasure.
entrenched provisions	Provisions in a company's articles of association which may only be amended if certain conditions are met (Companies Act 2006 s22). The existence of such provisions must be specifically notified to Companies House. Provisions may only become entrenched when the company is formed by unanimous agreement of all members. Entrenched provisions do not prevent an alteration to the articles if agreed by all members or ordered by a court.
entrepreneur	Person who engages in commercial activity of his own volition.
entrepreneurs' relief (ER)	Relief that reduces capital gains tax payable on the sale of a business. It replaced taper relief . The relief reduces the rate of tax to 10%. It was introduced on 6 April 2008 for an amount of £1m million, and increased to £2 million from 6 April 2010, and to £5 million from 23 June 2010. Details of the relief are set out in Taxation of Capital Gains Act 1992 ss169H-169S. [Note that the apostrophe comes after the S.]
entries of satisfaction and release	In company law, statements entered into the register of charges that the debt for which the charge was given has been paid, or the debt has otherwise been released (Companies Act 2006 s872).
entry	(1) Details of a transaction entered into the financial records. (2) A declaration and request for customs release in respect of imports or

goods intended for export. It is usually made on a Single Administrative Document (SAD). Traders approved to do so can submit entries electronically.

entry clearance

“Visa, entry certificate or other document which, in accordance with the immigration rules, is to be taken as evidence of the requisite evidence of a person’s eligibility... for entry into the United Kingdom” (Immigration Act 1971 s33).

entry date

For European Union, “means the date on which the United Kingdom becomes a member of the Communities” (European Communities Act 1972 Sch 1 Part II). It was 1 January 1973.

entry fee

A single payment to join something, such as a club.

The term is also used in other contexts such as to gain the tax advantages of becoming a **real estate investment trust**.

Entry in Declarants Records (EIDR)

In relations to Customs duties, a procedure that allows movement from one Customs procedure to another in accordance with regulations. Further details are given in Customs Information Paper 44 of 2 November 2015.

entry price

The value of entering into acquisition of an asset or liability, usually **replacement cost**.

entry processing unit (EPU)

Customs area situated at major ports and airports. It has now been replaced by the **National Clearance Hub**.

entry system

Means of controlling access to work premises, such as by a security pass. This can be linked to time and attendance software to record when employees arrive for and leave work.

enumerate

Count the number of.

envelope

Item of stationery for enclosing or posting documents.

Typically most envelopes are either of white paper or brown, known as **Manilla**. Other types include cardboard-backed envelopes to prevent folding of important documents.

There are **window envelopes** where part of the front is cut away and covered in polythene or left open so that a typed address is visible.

The envelope usually has a layer of gum on the folded part or has a self-adhesive there.

Envelopes have their own sizing scheme which use the letter C. These are slightly larger than the corresponding paper A size, so a C4 envelope is just a little bigger than A4 paper, allowing several A4 sheets to fit comfortably inside. Any envelope above C5 size is subject to a higher postal charge.

There is a special DL size of 110mm x 220mm which holds a sheet of A4 to be folded into three.

enveloping

Stamp duty land tax avoidance scheme.

A property is owned by a company instead of an individual. It can then

be sold by transferring the shares and thus avoid SDLT.

Such an arrangement is now subject to annual tax on enveloped dwellings (ATED), but can still be tax-effective.

en ventre sa mère

Latin: "in the womb of his mother".

The term describes a baby which has been conceived but not yet born. Such a baby may inherit under a will or be a beneficiary under a trust.

en verité

French: in truth.

Environment Agency controls

Movement of waste across a frontier may require notification or consent. Customs clearance cannot be obtained without it.

environmental audit

Review of an organisation's impact on the environment. This covers such areas as energy usage, recycling and transport plans for employees.

environmentally beneficial plant or machinery

The capital allowance provisions are given in Capital Allowances Act 2001 s45H.

environmental scanning

Process that automatically surveys and interprets data.

enzone

Enclose within a zone.

EO

Economic Operator.

eodem die

Latin: the same day.

EOE

European Options Exchange.

EOI

Expression of interest.

eo instanti

Latin: at that instant

eo nomine

Latin: in that name.

EOQ

Economic order quantity.

EORI

Economic Operator Registration Identification.

EOTC

Equal Opportunities Training Centre

EOV

Existence, ownership and valuation, the three traditional tests for an auditor checking assets on a balance sheet.

EOY

End of year.

EPA

Enduring power of attorney.

EPB	(1) Economic Prosperity Board. (2) Export Promotion Board, of Singapore.
EPCAP	Enemy Property Compensation Advisory Panel
EPE	Expected positive exposure.
EPLI	Employment practices liability insurance.
e pluribus unum	Latin: out of many one. This is one of the mottos of the USA.
EPN	Escalating penalty notice.
EPOS	Electronic point of sale.
EPP	Executive Pension Plan.
eps	Earnings per share.
EPSS	Excise Payment Security System.
EPU	(1) Entry Processing Unit, a HMRC Entry Processing Unit (EPU) where import, export and duty payment documents are processed. It is now replaced by the National Clearance Hub. (2) European Payments Union.
EPW	Externally provided worker
Eq	(1) Equity Cases, a series of Law Reports published between 1865 and 1875. (2) Equity Reports, a series of law reports published between 1853 and 1855.
EQIA	Equality Impact Assessment
equal absolute sacrifice	One of the three methods of applying the principle of ability to pay in relation to direct taxes. (The other two are equal proportional sacrifice and equal marginal sacrifice). Under equal absolute sacrifice, the number of units of utility (ie amounts of income) for each taxpayer should be the same.
equal chance gaming	In relation to betting and gaming duties, (a) "in Great Britain, means gaming which does not involve playing or staking against a bank (however described, and whether or not controlled or administered by a player) and in which chances are equally favourable to all participants, and (b) in Northern Ireland, means gaming in respect of which none of the conditions specified in Article 55 of the Betting, Gaming, Lotteries and Amusements (Northern Ireland) Order 1985 is met" (Finance Act 1997 s15(3)).
equal employment opportunity (EEO)	In human resources, a policy statement that equal consideration will be given

for all job applications regardless of the race, colour, religion, sex, marital status etc of the applicant.

Equal Employment Opportunity Commission (EEOC)

US federal agency responsible for enforcing equal opportunity laws.

equalisation

Any financial provision that attempts to even out larger differences between accounts, particularly between accounting periods.

equalisation reserve

Funds held by an entity for the purpose of reducing large fluctuations between accounting periods. The reserve is used to top up low figures. For mutual life assurance business, there is a special tax provision in Income and Corporation Taxes Act 1988 s444BA.

The term is also used in relation to corporate members of Lloyd's (Finance Act 2012 s26(7)(a)).

equality

(1) Mathematical status of two quantities being of the same amount.
(2) In law and human resources, the requirement for people to be treated the same without regard to such factors as sex, race or age. In this context, equality means "equality between individuals" (Equality Act 2006 s8(2)).

equality clause

Provision in a woman's contract of employment which guarantees to comply with the provisions of Equal Pay Act 1970. This term is defined in s1(2) of the Act.

equality impact assessment (EQIA)

Systematic approach to determine whether a policy or practice affects different groups of people in significantly different ways. The assessment usually also consider whether any modification is needed.

equality statement

Statement explaining the difference in pay between male and female employees. Such a statement is voluntary. Plans to make such a statement compulsory from 2013 were dropped in 2010 on the change of government.

equal marginal sacrifice

One of three principles of **ability to pay** for direct taxes. (The other two are **equal absolute sacrifice** and **equal proportional sacrifice**.)

This method is based on the principle that each person should have the same amount of income or wealth remaining.

equal opportunity clause

Clause in a contract that requires the contracting party to observe equality laws. Such a clause can be a legal requirement in the USA under Executive Order 11246 s202.

equal opportunities monitoring form

Form which people may be invited to complete to assist an employment tribunal or other body in ensuring that its services are equally accessible to all. Completion of the form is voluntary.

equal pay

Legal obligation to pay women at the same rate as men.

In the UK, the main law is Equal Pay Act 1970 which took effect in 1975

with Sex Discrimination Act 1975. A claim for equal pay is made by a woman establishing a male **comparator** who does the same or equivalent work but is paid more. The employer must either equalise their pay or justify the difference.

Some efforts at equalisation were made before 1975. For example, teachers' pay was equalised in stages between 1955 and 1961.

equal proportional sacrifice	One of the three principles of ability to pay for direct taxes. (The other two are equal absolute sacrifice and equal marginal sacrifice .) This method requires each taxpayer to part with the same fraction of his or her income or wealth.
equal sacrifice theory	Economic theories on how to apply the principle of ability to pay to direct taxes. Work on these theories was pioneered by such economists as J S Mill and A C Pigou. The three main alternative theories are equal absolute sacrifice , equal proportional sacrifice and equal marginal sacrifice .
equals sign	The sign = used in mathematics.
equal treatment rule	A requirement which every occupational pension must follow, which requires women to be treated equally to men (Pensions Act 1995 s62).
equal work content	Requirement in assembly line work for each task to take the same time to ensure that there are no bottlenecks or idle time.
equation	Mathematical statement that two combinations of factors are of the same amount.
equation of time	Old term for the difference in time as recorded by a sundial and a clock. The difference is greatest in November.
Equatorial Guinea	African country. Its currency is CFA franc of 100 cents. The UK has no double taxation treaty.
Equifax	One of the UK's three credit reference agencies, founded in 1899. (The other two are Experian and Callcredit.)
equilateral curve	In geometry, a curved edge of a circular shape so designed that it is always at a constant diameter to its opposite apex. The British 20p and 50p have seven equilateral curves.
equilibrium	State of balance in a company or country, where supply and demand are equal.
equinox	Point at which the sun crosses the equator and days and nights are of equal length over all the world. These are around 21 March and 23 September each year.

- equipment lessee** In relation to long funding leases, “means the person to whom the equipment provides for the plant or machinery to be leased” (Capital Allowances Act 2001 s174(3)).
- equipment lessor** In relation to long funding leases, “means the person from whom (directly or indirectly) the equipment lease provides for the plant or machinery to be leased” (Capital Allowances Act 2001 s174(3)).
- equipment to enable a disabled person to use a car**
In relation to the taxation of company cars, “means equipment —
(a) which is designed solely for use by a chronically sick or disabled person, or
(b) which is made available for use with the car because it enables a **disabled employee** to use the car in spite of the disability” (Income Tax (Earnings And Pensions) Act 2003 s172(1)).
- Equipment Trust Certificate** In the USA, a type of security issued for the purpose of buying equipment. They are widely used by railway companies.
- equitable construction** Term used for judicial interpretation of tax law.
“If the person sought to be taxed comes within the letter of the law he must be taxed, however great the hardship may appear to the judicial mind to be. On the other hand, if the Crown, seeking to recover the tax, cannot bring the subject within the letter of the law, the subject is free, however apparently within the spirit of the law the case might otherwise appear to be. In other words, if there be admissible, in any statute what is called an equitable construction, certainly such a construction is not admissible in a taxing statute.” (dicta of Lord Cairns in *Partington v Attorney-General* [1869] LR 4 E&I App 100).
This view must be seen as having been modified by subsequent legislation. HMRC refers to the above dicta in its GAAR guidance of January 2016, para C5.10.6 in these terms: There are less obviously extreme views – which may be commonly held – that nonetheless cannot be regarded as reasonable for the purposes of the GAAR. Perhaps the clearest example is the view that it is the function of HMRC and the Parliamentary drafter to get the legislation right, and that if they fail to do so there is 25 nothing wrong with individuals or companies exploiting defects in the drafting¹¹. However, this is wholly inconsistent with one of the basic purposes of the GAAR, namely to deter or counteract the deliberate exploitation of shortcomings in the legislation. Accordingly, even if such views are held by someone who would ordinarily be regarded as reasonable, and indeed may be eminent in a field of work (such as accountancy or the legal professions), those views themselves would not fall to be regarded as reasonable for the purposes of the GAAR.
- equitable in all the circumstances**
Fair when all relevant matters are considered.
The term is often used when there is not enough legal argument to support a claim, but when all factors considered together comprise a moral claim. Sometimes a refusal to accept that moral claim could lead to bad

publicity or a loss of goodwill and custom.

equitable interest Interest in property that is regarded both in **equity** and common law.

equitable liability Practice that applied until 31 March 2011, whereby HMRC could waive its right not to pursue tax that was due solely because the deadline to remedy an excessive assessment had passed. From 1 April 2011, this is replaced by **special relief**.

Equitable Life Mutual insurance company that became insolvent.
The government may make payments to policy-holders under Equitable Life (Payments) Act 2010. Under s3, such a payment is disregarded for tax and social security purposes.

equitable mortgage Mortgage recognised in equity but not otherwise in law.

equitable owner Beneficiary who is designated to receive property held in a trust.

Equitas Insurance company created to cap the liabilities of Lloyd's prior to 1993. The insurance market was severely hit by US claims relating to asbestos, pollution, and hurricane damage.

equities Another word for stocks and shares.

equities analyst Person who investigates and writes reports on ordinary share investments in companies (usually for the benefit of investors in shares).

equities Ordinary shares of a company seen as investments.

equitable (1) Fair.
(2) Pertaining to **equity**.

equitable in all the circumstances Expression which describes something which appears to be fair when all relevant matters are considered, even though no single factor may justify the desired result.

equitable owner Another name for a **beneficial owner**, namely the **beneficiary** of a **trust**.

equities Collective term for shares as a form of investment distinct from other investments.
For child trust funds, the term "means shares issued by a company wherever incorporated and officially listed on a recognised stock exchange or, in the European Economic Area, admitted to trading on a recognised stock exchange" (Child Trust Funds Regulations SI 2004 No 1450 Sch para 2(6)).

equity **Accounting**
Share capital, as opposed to debt instruments.
"Equity is the residual interest in the assets of the entity after deducting all its liabilities" (FRS 102 glossary and section 2.15(c)).

Asset valuation

The amount by which the value of a house exceeds the total of the loans secured by mortgage(s) thereon.

Law

Branch of law which complements **common law**.

Where equity and common law conflict, equity prevails (*Earl of Oxford's Case [1615]*).

Equity is governed by the **maxims of equity**.

Fairness

General principles of fairness.

Such principles do not apply to tax law where only the actual words matter (*Attorney-General v LCC [1900] 4 TC 265*).

equity accounting	Method of accounting used in reports in the balance sheet of the parent or group's share of the investment in the share capital and reserves of an associated company .
equity approach to bank valuation	Valuation of a banking business on the basis of free cash flows to equity holders, discounted at the required rate of return on equity.
equity capital	Funding for a business in the form of ordinary shares rather than from borrowed funds.
equity dilution	Reduction in the relative value of a shareholding when new shares are issued.
equity dividend cover	Accounting ratio of distributable profits divided by actual dividends. In general, the higher the number, the greater the chance of dividend maintenance.
equity finance	Funding for a business by selling shares in it, as against debt finance .
equity-for-debt exception	Term used in Corporation Tax Act 2009 s361C for loan relationship .
equity funding	Funding a business by selling shares in it.
equity gap	Amounts of equity needed for a business which are too large for a bank loan and too small for equity funding.
equity gearing	Ratio between a company's borrowing and its ordinary share capital, often known simply as gearing .
equity hedge	Combination of long holdings of equities with short sales of shares or share index options.
equity holder	Tax term which means someone who is either a shareholder or loan creditor of a company. The term is defined in Corporation Tax Act 2010 s158 in terms of

defining who may be part of a group.

equity instrument Document that evidences a holding of equity, such as a share certificate.

equity kicker American term for **equity sweetener**, which is sometimes used in the UK. The form is usually an option to buy shares at a preferential rate.

Equity Life Payment Scheme (ELPS)

Scheme introduced by Equitable Life (Payments) Act 2010 whereby the government provided compensation to policy holders from the demise of the mutual insurance company Equity Life.

Such payments are free of income tax and national insurance. Guidance is provided in HMRC Brief 26/11.

equity-linked notes Financial instruments that involve a guarantee of principal, and a return based on a basket of equities.

equity-linked policy In insurance, a policy where a proportion of the premiums are invested in shares. The **surrender value** of the policy is simply the amount for which those shares may be sold.

equity method "A method of accounting for an investment that brings into the consolidated profit and loss account the investor's share of the investment undertaking's results and that records the investment in the consolidated balance sheet at the investor's share of the investment undertaking's net assets including any goodwill arising to the extent that it has not been previously written off" (FRS 2 para 8).

equity multiplier In banking, accounting ratio of total bank equity to total assets.

equity option Option granted on the shares of a company giving the option holder the right to buy the shares at a specified price by a specified date. Such options may themselves be traded.

equity portfolio A collection of **equity shares**.

equity release One of several types of scheme designed to produce money from the value of a person's home.

There are two main forms: home income plans and home reversion schemes.

equity release mortgage Equity release scheme in the form of a loan.

equity release reversion Equity release scheme which involves selling an interest in the person's home.

equity risk Risk of owning shares, such as from company insolvency.

equity risk premium Extra return on investment provided by shares when compared with government-backed securities. The premium compensates for the medium-

term market risk.

equity securities

Under company law, the term “means —
(a) **ordinary shares** in the company, or
(b) rights to subscribe for, or to convert securities into, ordinary shares in the company (Companies Act 2006 s560(1)).

equity-settled share-based payment transaction

“A share-based payment transaction in which the entity:
(a) receives goods or services as consideration for its own equity instruments (including shares or share options); or
(b) receives goods or services but has no obligation to settle the transaction with the supplier” (FRS 102 glossary).

equity share capital

Company's share capital as represented by ordinary shares of any class.
The statutory definition in relation to a company is “its issued share capital excluding any part of that capital that, neither as respects dividends nor as respects capital, carries any right to participate beyond a specific amount in a distribution” (Companies Act 2006 s548).

equity shares

Shares in a company which participate in sharing dividends and in sharing any surplus on winding up, after all liabilities have been met.
“Shares other than **non-equity shares**” (FRS 4 para 7, and FRS 6 para 2).

equity swap

Type of **interest-rate swap** where one party's payment is related to a share index, and the other party's payment attracts a fixed rate of interest.

equity sweetener

Investment incentive whereby those who invest in a business have a right to buy further shares at an agreed price. It is similar to a **traditional option**.

equity warrant

A tradeable **call option** on the shares of a company.

equivalence

General term for something held to be of similar value or worth as something else.

equivalence condition

Condition that an **EEA amount** must meet to qualify for loss relief (Corporation Tax Act 2010 s114).

equivalent amount for the new animal

Term used in Corporation Tax Act 2009 in relation to the **herd basis** following the compulsory slaughter of animals.

For income tax, the term is used in Income Tax (Trading and Other Income) Act 2005 s121 and s123.

equivalent bond yield

Means for comparing yields on bonds with money market instruments that have the same maturity date.

equivalent goods

Goods which are exported under the **inward processing** scheme for Customs duties.

Under inward processing, duty is paid when goods are imported for a

process such as assembly or repair. The duty is refunded when the goods are re-exported. Such goods are known as **compensating goods**. If those goods cannot be exported, duty may be reclaimed if identical goods, known as equivalent goods, are exported in their place.

equivalent pension benefit	Benefit that an employer was required to provide to an employee who was contracted out of the long-discontinued graduated pension scheme.
equivalent reserve	Term used in relation to corporate members of Lloyd's (Finance Act 2012 s26(7)(b)).
equivalent strategy	Investment strategy, particularly for options, that has the same risk-reward profile as another strategy.
equivalent unit	Management accounting term for a unit of unfinished production according to a calculation or formula determined by when production started.
equivalent value	In relation to foreign income and gains taken offshore under the remittance basis, this term is defined in Income Tax Act 2007 s809Z9(5).
equivalised	<p>In relation to reporting on low-income households, means income "adjusted to take account of variations in household size and composition" (Welfare Reform and Work Act 2016 s4(4)).</p> <p>"In relation to household income, means adjusted to take account of variations in household size and composition" ((Child Poverty (Scotland) Act 2017 s7(2)).</p>
ER	<p>(1) Entrepreneurs' relief</p> <p>(2) English Reports. This is the citation for most reported court cases before 1865. They started in 1220.</p>
ERDF	European Regional Development Fund.
e-recruitment	Recruitment of staff on-line.
e re nata	Latin: from the circumstances arisen, according to the exigencies of the case.
ERG	Efficiency and Reform Group.
ergo	<p>Latin: therefore.</p> <p>In logic, this introduces the conclusion of a syllogism.</p>
ergon	Greek: work or business.
ergonomics	Design of furniture, equipment, machinery, tools and other items used by individuals so as to promote safety, efficiency and productivity, and to reduce discomfort and fatigue.
ergophobia	Fear of work.

ERIC	European Research Infrastructure Consortia.
eric	Under old Irish law, this was a fine paid by a murderer to the victim's family.
ERISA	Employment Retirement Income Security Act 1974 , US law.
eReminder	Automatically generated e-mail system to remind a person to do something. Companies House launched such a free service on 14 July 2011.
ERISA	Employee Retirement Income Security Act 1974 , an American law.
Eritrea	East African state which became independent from Ethiopia in 1993. Its currency is the nakfa of 100 cents. The UK has no double taxation treaty.
ERL	Export Reception List
ERM	Exchange rate mechanism.
ermine	Animal whose fur is traditionally used for the robes of the House of Lords, and thereby is sometimes used to mean the status of a peer.
ERN	(1) Export Reference Number. (2) ISO code for Eritrean nakfa.
ERNIE	Electronic Random Number Indicator Equipment. The various forms of computer that have been used for selecting the winning numbers of premium bonds . There have been four ERNIEs. ERNIE 1 was introduced with premium bonds in 1957. It generated numbers from the signal noise in neon tubes. Since 2008, it has been displayed in the Science Museum. ERNIE 2 was introduced in 1972; ERNIE 3 in 1988. ERNIE 4 was introduced in September 2004 and is 500 times faster than ERNIE 1. It uses thermal noise in transistors to generate random numbers.
ERODG	Prefix for HMRC's tax manual on excise repayment of duty.
errare est humanum	Latin: to err is human.
error	Something that is incorrect. Sometimes a distinction is made between an error and a mistake, whereby the former is a deliberate action or decision later regarded as wrong, whereas the latter is an accidental action, such as may be due to clumsiness, carelessness or forgetfulness. See also errors .
error of central tendency	In human resources, rating error whereby a person tends to assign average In human resources, ratings rather than exercise more critical judgment.
error of contrast	In human resources, rating error whereby a person rates something by comparison rather than according to an objective standard.

error of halo	In human resources, rating error which is based on a perception of positive or negative characteristics.
error of inconsistency	In human resources, rating error that occurs when there are no objective standards.
error of projection	In human resources, rating error that occurs when the rater allows his or her personal characteristics or prejudices to affect the In human resources, ratings.
error of recency	In human resources, rating error based on recent events rather than over the whole period to be rated.
error of standards	In human resources, rating error based on impracticable standards.
error or mistake	<p>In tax, a reason for asking for a tax assessment to be retrospectively reduced under Taxes Management Act 1970 s33.</p> <p>Such a request should be made within five years of 31 January following the year of assessment.</p>
errors	<p>For accounting standards, "omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:</p> <ul style="list-style-type: none">(a) was available when financial statements for those periods were authorised for issue; and(b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements" <p>(FRS 102 glossary).</p>
ERS	<p>(1) Employment-related securities.</p> <p>(2) Employment recognition scheme</p>
ersatz	Making equivalent products from waste material.
Erse	Old word for the language Gaelic .
ERSM	Prefix for HMRC's tax manual on employment related securities.
ERSS	Electronic Returns Storage System.
ERTS	Enhanced Remote Transit Shed, a place situated outside the appointed area of an approved port or airport where non-European Union goods may be held until they are assigned to a Customs approved treatment or use.
ERU	Emission reduction unit.
ES	<p>(1) Ethical Standard, statement issued by Auditing Practices Board (APB).</p> <p>(2) Country prefix code for Spain.</p>

ESA	Employment and support allowance.
ESA 220	Linking letter provided to someone who has recently received employment support allowance . Every new employee should be asked if he or she has such a letter as this can affect the period of incapacity of work for which statutory sick pay may be payable.
ESA in youth	Employment support allowance payable to someone who is under the age of 25. This relaxes some of the rules on national insurance contributions for young claimants.
ESC	(1) Extra-statutory concession (2) European Social Chapter [or Charter] (3) Employer-supported childcare
escalating annuity	Annuity that increases in value, usually by linking with a price index.
escalating penalty notice (EPN)	Notice of a penalty that the Pensions Regulator may impose on an employer who fails to discharge its obligations with regard to workplace pensions. The notices are issued under SI 2010 No 5.
escalation	Process by which a figure increases by a <i>predetermined</i> amount. The term is commonly used for pensions. Escalation may mean that a pension being paid increases each year by 3% regardless of the rate of inflation. If the pension is linked to the actual rate of inflation in any way, it is said to be index-linked .
escalation clause	Clause in a contract allowing for regular increases, such as in prices. The clause usually states how these increases are to be calculated, such as by reference to a prices index.
escalation of commitment	In banking, increasing the financial assistance offered to a business or person in difficulties. This is also called creeping commitment. Such a policy is risky as it increases the amount the bank or other body may lose should the business or person still become insolvent.
escalation point	For tax administration, the point when a tax matter is referred to a higher level in HMRC.
escalator clause	American term for escalation clause .
escalators	For capital allowance purposes, is treated as an integral feature , which means that it is included in the special rate pool and is subject to capital allowance at 8% on the writing down basis, and not the usual 18% for plant and machinery (Capital Allowances Act 2001 s33A).
escape clause	Clause in a contract which allows one of the parties to be released from his obligations if a stated eventuality occurs.

ESCB	European System of Central Banks.
escort officer	Civilian who is so designated by a chief officer of police under Police Reform Act 2002 s38(2).
escot	Archaic word that means to pay or maintain.
escritoire	Writing desk.
escrow	Arrangement whereby funds are held by a third party to ensure compliance with a contract. A simple example is where A and B wish to trade but do not trust each other, though they both trust C. B deposits the sale proceeds with C, A delivers the goods to B, and when C sees that the goods are paid he pays A.
escrow account	Account where funds are held relating to an escrow .
escudo	Currency of Cape Verde. It was also the currency of Portugal before it adopted the euro.
ESD	European Savings Directive.
ESFA	Education and Skills Funding Agency.
ESI	Employment status indicator.
ESIM	Prefix for HMRC's tax manual on excise statutory interest.
eskimo	Where an eskimo (Inuit) kills a seal in a traditional hunt to provide sustenance, the state authority may issue a seal attestation . This document allows the seal or its products to obtain Customs clearance.
ESL	(1) European Sales Lists. All businesses registered for VAT that supply goods to businesses registered for VAT in other EU Member States must send HMRC lists of their EU supplies. Other Member States use the information provided on the European Sales Lists (ESL) to ensure VAT has been correctly accounted for. (2) English as a second language.
ESM	Prefix for HMRC's tax manual on employment status.
esnecy	Obsolete practice of allowing the eldest daughter right of first choice in dividing an inheritance.
ESOP	(1) Employee share ownership plan. (2) Employee stock ownership plan.
ESOS	Energy Savings Opportunity Scheme.

ESOT	Employee share ownership trust.
Esq	Esquire. Historically the term has had many specific meanings, such as being a title of dignity just below a knight. The term is now used as a courtesy suffix after the name of any man considered to have some learning. This practice has now largely died out. Note that the suffix is never used with a title or form of address, so an envelope may be addressed to "Mr J Smith" or "J Smith Esq" but not to "Mr J Smith Esq".
ESRA	Ethical Standards for Reporting Accountants.
ESS	(1) Export Safety and Security. (2) Employee self service. (3) Employment status service.
ESSA	Employee and Share Schemes Act 2002.
essay appraisal	In human resources, an appraisal strategy that requires a narrative description of an employee appraisal.
essence	For excise duty, the term means a food essence. This is usually exempt from duty even if it contains alcohol. Further guidance is given in Customs leaflet 41. For VAT, food essence is standard-rated. It is specifically excepted from the scope of zero-rating for food by Value Added Tax 1994 Sch 8 Group 1 Note 4.
essence of the contract	Provisions in a contract that are regarded as essential to its performance.
essential commodity	"Means any commodity described in the Schedule to this Act which may be declared by order of the Board of Trade to be a commodity which in the opinion of the Board would be essential for the vital needs of the community in the event of war" (Essential Commodities Reserve Act 1938 s6). The schedule lists food, forage for animals, land fertiliser, fertiliser materials, and petrol.
essential functions	In human resources, the primary job functions of a worker.
essential oils	For VAT, these are standard-rated as they do not come within the scope of food (VAT notice 701/14).
esse quam videri	Latin: to be rather than to seem. This motto has been used by many schools, companies and other organisations.
EST	Eastern Standard Time, in USA.
established practice	In relation to General Anti-Abuse Rule (GAAR), normal commercial and accounting practice. A departure from established practice can indicate tax

avoidance under Finance Act 2013 s207(5).

HMRC guidance on GAAR published in January 2016 says at para C5.12.3: "Taking the 'established practice' first, this is not defined in the legislation, and therefore has its ordinary meaning. Established practice may be demonstrated by reference to published material (whether from HMRC, or text books or articles in journals) or by other evidence of what had become a common practice by the relevant time (i.e. when the arrangements were entered into)."

establishment

- (1) Commercial business seen as a single entity.
- (2) Workforce seen as a single entity.
- (3) Government and other ruling bodies seen as a single entity.

establishment charges

Term for the costs of property and staff.

establishment fee

Fee charged by a lender for the costs of arranging the loan.

Estado Plurinacional de Bolivia

Spanish: Plurinational State of Bolivia.

estate

Term which has acquired different meanings, of which the broadest is simply everything that a person owns.

For inheritance tax, a **person's estate** is defined as "the aggregate of all the property to which he [the person] is beneficially entitled" excluding interest in possession trusts, excluded property or foreign works of art being exhibited in the UK (Inheritance Tax Act 1984 s5(1)).

From 22 March 2006, a person's estate comprises:

- assets in the sole name of the deceased
- their share of any **jointly owned assets**
- assets held in a **trust** in which the deceased had an **immediate post-death interest**, or a **disabled person's interest** or a **transitional serial interest**
- any **nominated assets**
- assets given away but where an interest has been retained (as in a **gift with reservation**)
- value of an **alternatively secured pension** from which the deceased benefited as an original scheme member, or as a dependant who received benefits from the left over ASP fund of the original scheme member.

Before 22 March 2006, a person's estate comprised:

- assets in the sole name of the deceased
- their share of any **jointly owned assets**
- assets held in a **trust** in which the deceased had a right to benefit
- any **nominated assets**
- assets given away but where an interest has been retained.

In trusteeship and executorship, the term is more usually limited to what a person owns at the time of their death. It is thus distinguished from a **trust** which is created during a person's life.

Strictly, an estate is only an interest in land, but the term is now generally used to mean the total assets (land, chattels, investments, etc)

owned by an individual.

estate administration

Process of looking after an estate, particularly of a person who has recently died.

In practice this involves obtaining probate or letters of administration, disposing of the body, paying legacies, ascertaining and distributing the residue, and paying inheritance tax.

estate agency work

Work undertaken by an **estate agent**. Its exact scope is set out in Estate Agents Act 1979 s1.

estate agent

General

An estate agent holds details of property available for sale.

Their activities are regulated by Estate Agents Act 1979.

VAT flat rate scheme

Under the VAT flat rate scheme, the appropriate percentage is:

From	Percentage
4 January 2011	12%
1 January 2010	10.5%
1 December 2008	9.5%
1 January 2004	11%

estate assets

Assets owned by an **estate** on a person's death. Their value is the amount on which inheritance tax is calculated.

estate car

Car with a particularly large area behind the passenger seats for carrying luggage.

Provided the main purpose of the vehicle is still to carry people rather than goods, the vehicle is taxed as a car.

estate duty

The last of the **death duties** levied in the UK. It was introduced in 1894 under Finance Act 1894 s1. It was replaced by **capital transfer tax** on 13 March 1975 for transfers on death and on 26 March 1974 for lifetime transfers, before being replaced by **inheritance tax**.

Up to 1969, estate duty was charged at a single percentage on the value of the estate, depending on its size. From 15 April 1969, estate duty was calculated on the **slice basis**.

At the time of its abolition, estate duty was charged at 25% for estates worth at least £15,000, and up to 75% for estates worth £500,000 or more. Rates had been as high as 85%.

estate planning bond

Term for a financial product designed to help a person to avoid tax on their death. The commonest form is the **discounted capital gift**.

estates of the realm

The three are Lords Spiritual (bishops), Lords Temporal (other peers) and Commons (MPs).

estate rate	Overall rate of estate duty , allowing for different rate bands. This rate could be required for allocating the duty between recipients.
estate spreading	Practice of dividing an estate between members of a family as a means of reducing the overall tax liability.
estate tax	Federal tax imposed in the USA on the net value of a person's estate.
estimate	<p>(1) Statement of how much a contractor or supplier expects to charge for goods or services. An estimate is not legally binding on the contractor or supplier. It is not legally binding, unlike a quotation.</p> <p>(2) Figure in the accounts when the exact figure is not known.</p> <p>In accounting, estimates are often required. Depreciation can only be calculated by estimating the useful economic life of an asset. Estimates are also used extensively in valuing assets and liabilities. Estimates can also be needed when the cost of determining the exact is disproportionate to the sum involved.</p> <p>An estimate must be reasonable. In practice, this is often done by keeping an exact record for a short period that may be regarded as typical.</p> <p>For tax, estimates properly allowed for accounting are accepted. However, some estimates are replaced by specific provisions (eg depreciation is replaced by capital allowances, and there is a separate limit for personal incidental expenses of employees on business.) Where an estimate has been used in accounts on which a tax computation is based, details of this should be disclosed on or with the tax return.</p>
estimated average earnings	<p>Figure used to determine the benefit cap for social security.</p> <p>It is defined as "the amount which, in the opinion of the Secretary of State, represents at any time the average weekly earnings of a working household in Great Britain after deductions in respect of tax and national insurance contributions" (Welfare Reform Act 2012 s96(7)).</p>
estimated collection rate	The amount of sums owed which the organisation believes it will be successful in collecting. This term is particularly used for council tax.
estimation	<p>Approximation based on some facts, so more than a guess.</p> <p>An estimate may be used in a tax return if the actual figure is not available. The estimate must be identified with reasons why the actual figure is not available. An adjustment must be made once the actual figure is known.</p>
estimation procedure	A procedure requiring HMRC approval, which allows for the estimation of the VAT due for an accounting period.
estimation techniques	<p>In accounting, "the methods adopted by an entity to arrive at estimated monetary amounts, corresponding to the measurement bases selected for assets, liabilities, gains, losses and changes to shareholders' funds" (FRS 18 para 6).</p> <p>Two common examples of estimation techniques are period for depreciating fixed assets, and determining amount of bad debts.</p>

Estonia	Baltic state which is a member of the European Union. Its currency is the euro of 100 cents. The UK has a double taxation convention of 1994.
estoppel	<p>In law, a rule of evidence which prevents a person from denying that which he has already admitted.</p> <p>For VAT, reliance may be had on the Parliamentary statement, "when it is established that an officer of Customs and Excise [now HMRC] has given a clear and unequivocal ruling on VAT in writing, or it is established that that an officer knowing the full facts has misled a trader to his detriment, the Commissioners of Customs and Excise would only raise an assessment based on the correct ruling from the date the error was brought to the attention of the registered person concerned" (<i>Robert Sheldon MP, Financial Secretary to the Treasury, Hansard vol 161 col 426</i>). This is now covered by extra-statutory concession 3.5. The issue of estoppel in VAT has been the subject of many tribunal hearings.</p>
estoppel by conduct	Rule that a person whose conduct has caused another person to believe in something cannot deny those things believed.
estoppel by deed	Rule that a party to a deed may not deny the facts stated in the deed.
estoppel by record	Rule that a person may not deny a judgment of a court against him.
estoppel in pais	Rule that a tenant cannot deny that someone is the landlord when he has paid that person rent.
estover	Rights to necessary goods as may be allowed by law.
estranged	Description of a relationship that has broken down so that the parties no longer communicate, as in "estranged wife".
estray	Animal found in a manor or lordship to which it does not belong.
estreppe	In law, commit waste such as when a tenant cuts down trees.
et al	Latin: and others.
et alia	Latin: and other things or people.
ET1	Form used to start a claim before the employment tribunal.
ETASSUM	Prefix for HMRC's tax manual on employee tax advantaged share schemes.
ETB	ISO code for Ethiopian birr.
ETC	Exchange traded commodity.
ETF	(1) Exchange traded fund. (2) Electronic transfer of funds.

ethanol	Alternative name for ethyl alcohol . It has the chemical formula CH ₃ CH ₂ OH. It is the active ingredient in liquor , and creates a liability to excise duty and VAT.
ethical dilemma	Quandary experienced in business where there is a conflict between what a person believes is best for business and what the person believes is morally correct. An example is selling a product, knowing that it will not benefit customers as they expect.
ethical investment	Shares or similar investments (for example, holdings in unit trusts) in companies supposed to conform to a particular set of moral or ethical principles. Different ethical values have led to a proliferation of funds of this nature with different principles. For example, some will avoid investing in arms manufacture, and others will avoid tobacco companies. There is ongoing debate as to whether the following of such principles adversely affects the investment performance of ethical funds.
Ethical Investment Research Service (EIRIS)	Organisation that maintains information about companies' ethics, and which may be used for those who wish to engage in ethical investment .
Ethical Standards for Reporting Accountants (ESRA)	Documents issued by the Auditing Practices Board (APB) in relation to investment circulars. They were issued in December 2004. They are numbered as ES 1 etc.
ethics partner	Member of auditing firm who is responsible for ensuring compliance with auditing ethics (APB ES 1 para 21).
Ethiopia	East African state. Its currency is the birr of 100 cents. The UK has a double taxation convention of 2011.
et hoc genus omne	Latin: and all that sort of thing.
ethos	Habitual character of a place, group, activity etc.
ethyl alcohol	The clear liquid whose chemical formula is CH ₃ CH ₂ OH. This occurs naturally in drinks made by fermenting organic matter. It is the alcohol which acts as an intoxicant in such drinks.
ethnocentric	In psychology, description of something which favours one race of people as against others.
etiology	American spelling of aetiology .
ETL	Expected tail losses .
étrenne	French: New Year's gift.

ETS	(1) Emissions Trading System. (2) Enhanced Thinking Skills.
et seq	Latin: and the following. (Abbreviation of et sequens.)
et sequens	Latin: and that which follows.
et sequentes	Latin: and those following. This is sometime abbreviated to "et seq".
et sequentes paginate	Latin: and the following pages.
et sequentia	Latin: and those that follow.
et sic de similibus	Latin: and so of the like.
ETSSB	Employment Tribunal System Steering Board.
EU	European Union. "Means the European Union, being the Union established by the Treaty of the European Union signed at Maastricht on 7 th February 1992 (as amended by later treaties)" (European Communities Act 1972 s1(2)).
EUA	EU Allowance Unit, the unit of measure adopted for the European Union Emission Trading Scheme . It is designed to be identical with the Assigned Amount Unit adopted by the Kyoto Protocol.
EU-adopted IFRS	An International Financial Reporting Standard that has been adopted by the European Union. There has only been one occasion when the EU did not adopt an International Accounting Standard. That was IAS 39 on financial instruments. The standard was amended, and the EU accepted the amended version. This means that all International Accounting Standard are now EU-adopted, though there remains the possibility that a future International Accounting Standard may not be EU-adopted. This requirement also means that an International Accounting Standard cannot be adopted for consolidated accounts of a listed company until the EU has adopted the standard. "IFRS that have been adopted in the European Union in accordance with EU Regulation 1606/2002" (FRS 102 glossary).
EU civilian staff	For the purposes of income tax and visiting forces, this term is defined in Income Tax Act 2007 s833(7).
EU customs duty	"Means, in relation to any goods, such duty of customs as may from time to time be fixed for those goods by directly applicable EU provision as the duty chargeable on importation into member states" (European Communities Act 1972 Sch 1 Part II).
EU-derived domestic legislation	This "as it has effect in domestic law immediately before exit day , continues

to have effect in domestic law on and after exit day” (European Union (Withdrawal) Act 2018 s2(1)).

EU Emissions Trading Scheme	Scheme introduced in the European Union in 2005 as a means of reducing greenhouse gas emissions. Its full name is European Union Emission Trading Scheme .
EU ETS	European Union Emission Trading Scheme.
EU institution	“Means any institution of the EU” (European Communities Act 1972 Sch 1 Part II).
EU instrument	“Means any instrument issued by an EU institution (European Communities Act 1972 Sch 1 Part II).
EU obligation	“Means any obligation created or arising by or under the Treaties, whether an enforceable EU obligation or not” (European Communities Act 1972 Sch 1 Part II).
EUR	ISO code for the euro.
Euratom	European Atomic Energy Committee.
Euratom Treaty	“The Treaty establishing the European Atomic Energy Committee, signed at Rome on the 25 th March 1957” (European Communities Act 1972 Sch 1 para 3).
EU recipient	In relation to data processing, “means — (a) a recipient in a member state other than the United Kingdom, or (b) an agency, office or body established pursuant to Chapters 4 and 5 of Title V of the Treaty on the Functioning of the European Union” (Data Protection Act 2018 s80(2)).
EURES	European Employment Services.
Eurex	Electronic derivatives exchange formed in 1998 from the merger of existing exchanges in Germany and Switzerland.
Euribor	Euro-denominated inter-bank offering rate. This is the rate at which banks lend to each other in European money markets. It is the European equivalent to LIBOR . It is the benchmark for short-term Euro interest rates.
euro	General Currency of many members of European Union . It replaced the previous European currency unit (ecu) at par. The euro is divided into 100 cents, sometimes called euro cents. The ISO code is EUR.

Adoption by countries

The currency was originally adopted by 11 of the 15 then members of the EU on 1 January 1999. It is now used by 19 of the 28 members. All the remaining EU states except UK and Denmark are pledged to adopt the euro, as must any new member states.

The adoption of the currency occurred thus:

- 1 January 1999: Austria, Belgium, Finland, France, Germany, Irish Republic, Italy, Luxembourg, Netherlands, Portugal, Spain
- 1 January 2001: Greece
- 1 January 2007: Slovenia
- 1 January 2008: Cyprus, Malta.
- 1 January 2009: Slovakia
- 1 January 2011: Estonia
- 1 January 2014: Latvia
- 1 January 2015: Lithuania

These countries are collectively known as the **eurozone**.

Another 22 countries either use the euro or have pegged their currency to the euro.



Form of currency

The currency was introduced in the form of bank notes and coins on 5 January 2002, having previously existed as an accounting currency. The national currencies the euro replaced were demonetised on 28 February 2002. National banks continued to accept demonetised currencies for longer periods, some still do.

Notes and coins

Euro notes are common to all eurozone countries, and are produced in values: €5, €10, €20, €50, €100, €200 and €500. The highest value note (usually worth about £400) has caused controversy as it means that one suitcase of euro notes can replace eight suitcases of £50 notes.

Euro coins have a common obverse but a national reverse. They are minted in the values of 1c, 2c, 5c, 10c, 20c, 50c, €1 and €2.

Collector coins have been issued for other values and for €2.

Currency issued by any EU state is accepted in all euro states.

Symbol

The symbol for the euro is €. Most computer fonts have now included this new symbol, usually by pressing the CTRL, ATL and 4 keys simultaneously.

Otherwise the symbol can be created by typing C and overtyping =.

The symbol is the first letter of Europe where the two lines denote stability. It is also based on the Greek letter epsilon, recognising Greece as the cradle of European civilisation and democracy. This information was stated by the European Commission.

Establishment

The currency was established by the **Maastricht Treaty** of 1992. Countries change to the euro when they meet convergence criteria, though many were admitted when they did not. The name was adopted in 1995.

Use in UK

A UK company may publish its accounts in euros, in addition to accounts in pounds (Companies Act 2006 s469).

Although the euro is not legal tender in the UK, there is no legal bar on parties contracting or making a financial arrangement in euros, or indeed in any other currency.

Many UK laws have values that are determined by the value of the euro. These include:

- the size of small and medium-sized entities.
- protection limit for banking deposits
- limits on currency that can be personally imported.

euro account	Bank account denominated in euros .
Euro Area Reference Note (EARN)	Bond denominated in euros, first issued in 1999 by the European Investment Bank.
eurobank	Financial intermediary that deals in the eurocurrency market.
eurobond	Long-term bearer bond denominated in euros . It is usually issued by an international corporation or by a government.
eurobond market	A market in which bonds are issued in the capital market of one country to a non-resident borrower from another country.
euro cent	One hundredth of a euro . The term is occasionally used to distinguish it from cents in other currencies.
euro certificate of deposit	Certificate of deposit denominated in a eurocurrency .
Eurocheque	Cheque which may be cashed at any European bank. The Eurocheque system is based in Brussels.
Euroclear	One of two settlement houses for clearing eurobonds . The other is Centrale de Livraison de Valeurs Mobilières .
Eurocommercial paper	Short-term borrowing in Eurocurrencies.

eurocommunism	Form of Communism advocated in western Europe and more pragmatic than Eastern Communism.
Euroconversion	Redenomination of a domestic currency into the euro .
Eurocrat	Bureaucrat from an European body.
eurocredit	Bank loan in a eurocurrency , typically provided by a group of banks to a large commercial business.
eurocurrency	Any currency used for trading in Europe but outside its currency of origin. The Eurodollar is the commonest example.
eurocurrency market	Market for trading in eurocurrency .
eurodeposit	Deposit of Eurodollars outside the US.
Euro Depository Receipt (EDR)	Certificate that represents the underlying ownership of the issuer's shares. The certificate is denominated in euros . An EDR makes it easier for a an individual to invest in a foreign company whose shares are not traded locally.
Eurodollar	US dollar when trading in Europe as a Eurocurrency .
euroequity	Share of an international company traded on a European stock market outside its country of origin.
Euro Inter Bank Offered Rate (Euribor)	The inter bank offered rate for loans denominated in euros.
Euroland	Another term for Eurozone .
Euromarker	A yellow dye used in all EU member states to indicate that hydrocarbon oil duty has not been paid.
euromarket	Market that developed during the 1950s to provide finance for Europe-wide projects.
euro-MP	Member of the European Parliament, now usually called an MEP.
Euronext NV	Company established in September 2000 to incorporate the futures exchanges of Amsterdam, Brussels and Paris. In 2002, it acquired the London International Financial and Futures Exchange (LIFFE) and the Portuguese futures exchange.
Euro.nm	Pan-European group of stock markets formed in 1996 and since disbanded. It was mainly concerned with high growth companies.
euronote	Short-term Eurocurrency bearer note.
euro-option	Option to buy a European bond.
Europäisches Patentamt	German: European Patent Office

- Europa website** Website that allows a registered VAT agent to check the VAT number from another EU state. From 1 January 2010, it also allows the name and address to be checked.
- Europe** Geographical area to the west of Asia, often taken to extend from Russia to Ireland. Its exact border is not defined, so there is some debate as to whether countries such as Israel, Russia and Turkey are included.
- European Accounting Association (EAA)**
Organisation formed in 1977 for teachers and researchers of accountancy.
- European Agricultural Guidance and Guarantee Fund (EAGGF)**
Fund established under the EU **Common Agricultural Policy** to buy produce from EU farmers at a minimum price to sell when prices have risen.
- European Association of Securities Dealers Automated Quotation (EASDAQ)**
Body established in 1996 as a pan-European stock market for technology companies. It closed in 2003.
- European Bank for Reconstruction and Development (EBRD)**
Bank established in 1991 to help nurture the private sector in East European countries as they escaped from Communism.
- European Binding Tariff Information (EBTI)**
System for implementing the Common Customs Tariff. The information is issued to economic operators by the customs authorities of the European Union (EU) Member States. Thus, traders will know, in advance, the tariff classification of the goods they intend to import or export.
This information is introduced into a data-base run by the European Commission and is legally valid in all Member States, regardless of the Member State which issued it.
- European Central Bank (ECB)** Central bank for those countries which have adopted the **euro** as their currency.
- European Central Counterparty Ltd**
Company that was recognised as a clearing house for stamp duty and stamp duty reserve tax purposes under SI 2011 No 667.
In 2013 it merged with another recognised clearing house. This meant that it no longer needed separate recognition, which was accordingly withdrawn from 10 November 2015.
- European Commission (EC)** One of the three main governing bodies of the European Union. The Commission drafts proposals and is responsible for implementing policy. It is also responsible for ensuring that EU legislation is carried out. European Community - European Community and European Economic Community (EEC) are now referred to as the EU.
- European Commission Licence**
Licence needed for certain products that could pose a risk to the environment, such as ozone-depleting gases and fluorinated greenhouse

gases. Such a licence may be needed to get Customs clearance for importation.

European Community

Association of European states, originally known as the Common Market. Since 1991, it has been known as the **European Union**.

European Community margin of solvency

Margin of solvency required for insurance companies that operate in the European Union. It is calculated according to the aggregate of its assets and liabilities in the EU. This is enacted in the UK in Insurance Companies Act 1982 s32(5)(b).

European co-operative society (SCE)

Body formed under EU Council Regulation 1435/2003 article 7.

It is UK-resident for corporation tax if registered in the UK (Corporation Tax Act 2009 s17).

European Court

"Means the Court of Justice of the European Union" (European Communities Act 1972 Sch 1 Part II).

European Court of Auditors (ECA)

Body composed of 15 members appointed for 6 years by unanimous decision of the Council of the EU after consulting the European Parliament. It checks EU revenue and expenditure for legality and regularity, and ensures that financial management is sound.

European Court of Justice (ECJ)

Highest court of the European Union (EU). Its job is to ensure that EU legislation is interpreted and applied in the same way in each member state. The Court has the power to settle legal disputes between Member States, EU institutions, businesses and individuals.

European cross-border merger

Corporation tax provisions are given in Corporation Tax Act 2009 from s431.

European Currency Unit (ecu)

The currency formed in 1979 from a basket of EU currencies, weighted according to the relative sizes of their economies. In 1999, the ecu became a real currency known as the **euro**.

European debt crisis

Term generally used for the economic problems experienced within the **eurozone** since 2009. Greece was worst affected and had to be bailed out three times under draconian austerity measures. The crisis also badly affected Cyprus, Ireland, Portugal and Spain, who were all unable to repay or refinance their national debts.

European Development Fund (EDF)

Fund administered by the European Union to make grants and loans to help countries develop infrastructure projects.

European Economic Area (EEA) Organisation formed in 1992 comprising the European Community (now the European Union) and members of the **European Free Trade Association (EFTA)** except Switzerland. EEA came into being in 1994.

The EEA currently comprises the 28 states of the European Union plus Iceland, Liechtenstein and Norway.

European Economic Area (EEA) investment portfolio manager

This means an institution which is an EEA firm of the kind mentioned in paragraph 5(a), (b) or (c) of Schedule 3 to the Financial Services and Markets Act 2000 (certain credit and financial institutions), or qualifies for authorisation under paragraph 12(1) or 12(2) of that Schedule, or has permission under the Financial Services and Markets Act 2000 to manage portfolios of investments.

European Economic Community (EEC)

European "Common Market" established in 1957 by the six states that had already formed the **European Coal and Steel Community (ECSC)**, namely Belgium, France, West Germany, Italy, Luxembourg and Netherlands.

The EEC was merged with ECSC and Euratom in 1967 to form the **European Community**. In 1992, this was renamed the **European Union**.

European Economic Interest Grouping (EEIG)

A body formed in accordance with EC directive 2137/85 of 25 July 1985. Special tax provisions are set out in Taxes Management Act 1970 s12A and Taxation of Capital Gains Act 1992 s285A.

Income tax provisions are given in Income Tax Act 2007 s842.

It is commonly known by its abbreviation, pronounced "earwig".

European Fair Trade Association (EFTA)

Body comprising 11 **fair trade** organisations based in various European countries.

European Financial Reporting Advisory Group (EFRAG)

Group established in 2001 to advise on whether an **International Accounting Standard** is suitable for the European Union.

European firearms pass

Document issued under Firearms Act 1968 s32A(1)(a).

European Free Trade Association (EFTA)

Trade association formed in 1960 between Austria, Denmark, Norway, Portugal, Sweden, Switzerland and UK. None of these countries were then members of the **European Community** (now European Union). Finland, Iceland and Liechtenstein subsequently joined, while Austria, Denmark, Finland, Portugal, Sweden and UK left when they joined the European Commission or European Union.

The UK joined under the provisions of the European Free Trade Association Act 1960. This was repealed by the European Communities Act 1972 Sch 3.

In 1984, all tariffs between EFTA and EC/EU countries were finally abolished.

In 1992 (with effect from 1994), the **European Economic Area** was formed which comprises all EU and EFTA countries except Switzerland.

European institution

For child trust funds, “means an EEA firm of the kind mentioned in paragraph 5(a) to (d), (f) and (h) of Schedule 3 to the Financial Services and Markets Act 2000 which is an authorised person for the purposes of the Act as a result of qualifying for authorisation under paragraph 12(1) to (4) and (7) of that Schedule” (Child Trust Funds Regulations SI 2004 No 1450 reg 2(1)(b)).

European Investment Bank (EIB)

Financial institution whose purpose is to provide regional assistance within the EU by financing capital projects.

European Monetary Agreement (EMA)

Agreement made in 1958 by the Organisation for European Economic Cooperation (as it was then known). This allowed member states to buy and sell each other's currencies freely.

European Monetary Cooperation Fund

Fund organised under the **European Monetary System** by which members of the European Union deposited reserves to form a pool to stabilise their currencies and to fund balance of payment support.

Member states deposited 20% of their gold and gross dollar reserves for which they were given access to the fund. It ceased operation in 1999 when the adoption of the **euro** made the fund otiose.

European Monetary Institute (EMI)

Organisation established in 1991 under **Maastricht Treaty** to co-ordinate economic policies of EU member states as a precursor to the adoption of the single currency or **euro** in 1999.

European Monetary System (EMS)

First stage of **European Monetary Union**. It started in March 1979 by linking national currencies within fixed bands. If a currency started to move outside that band, EMS members were required to take action to bring it back.

EMS was replaced by the **single currency** or **euro** in 1999.

EMS was colloquially known as **the snake**.

European Monetary Union (EMU)

Process by which many European countries adopted the **single currency** or **euro** as a replacement for their national currencies. The Union came into force on 1 January 1999.

European option

Another name for a **euro-option**.

European Options Exchange (EOE)

Market established in Amsterdam in 1978 to trade in **traded options**. In January 1987 it merged with the Amsterdam Stock Exchange to form the Amsterdam Exchanges.

European organ exchange organisation

“Means a non-profit organisation, whether public or private, dedicated to national and cross-border organ exchange, in which the majority of its member countries are Member States” (Directive 2010/45/EU article 3).

European Parliament

Body established by electing representatives from EU member states, commonly known as MEPs. It has advisory and supervisory powers, but no executive authority.

European Patent Register

Register held by **European Patent Office** of all European patents.

The register was formally known as Register Plus.

“The European Patent Register is the place where the European Patent Office stores all the publicly available information it has on European patent applications as they pass through the grant procedure. It is a free internet service accessible via the quick link www.epo.org/register” (EPO website)

European Patent Office (EPO)

European body based in Germany that provides patents covering Europe.

European plan

American term for a hotel charging for meals separately from accommodation.

European referendum

Vote of UK citizens on whether to remain in the European Union or its predecessor bodies.

There have been two such referendums.

On 6 June 1975 (2½ years after joining), the vote was 67.2% yes.

A second referendum was held on 23 June 2016, in which the country voted by 52% to leave, known as **Brexit**.

This referendum is officially the **European Union Referendum**.

European Research Infrastructure Consortia (ERIC)

“International bodies that have been introduced by the European Commission to facilitate a more pan European approach to research work” (HMRC note issued on 1 May 2012).

These bodies are set up under Council Regulation 723/2009 Article 6(1)(a). European-wide VAT relief is granted under the provisions of Council Directive 2006/112/EC (the principal VAT Directive) Articles 3(1)(a), 143(1)(g) and 151(1)(b).

VAT relief on supplies to such a body are zero-rated from Autumn 2012 under Value Added Tax 1994 Sch 8 Group 18. It is necessary for the ERIC to provide a certificate to the supplier.

European Savings Directive

EU agreement set out in directive 2003/48/EC. It is transposed into UK law as Reporting of Savings Income Information Regulations SI 2003 No 3297 which came into force on 1 July 2005.

European Social Chapter (ESC) Another term for **European Social Charter**.

European Social Charter (ESC)

Charter of employment rights first drawn up on 18 October 1961 and revised on 3 May 1996. It covered such matters as fair wage, collective bargaining rights, provision for disabled workers, freedom of movement and training

opportunities.

In 1989, the European Union decided to adopt it as part of the **Maastricht Treaty**, but the UK secured an opt-out when this Treaty was otherwise adopted in 1991. The UK adopted the Charter on a change of government in 1997.

It is sometimes called the **European Social Chapter**.

European-style option

Another name for a **European option**.

European-style warrant

Warrant that can be exercised only at the final maturity date or at another fixed date.

European travel expenses

In relation to MPs' expenses, "means the cost of, and any additional expenses incurred in travelling between the United Kingdom and relevant European location" (Income Tax (Earnings And Pensions) Act 2003 s294(2)).

European Union

An economic association of European countries founded by the Treaty of Rome in 1957 as the European Economic Community (EEC) or Common Market. It was known as the European Community (EC) before 1993.

The EU Member States are: Austria; Belgium; Bulgaria; Croatia; Cyprus; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; Ireland; Italy; Latvia; Lithuania; Luxembourg; Malta; Netherlands; Poland; Portugal; Romania; Slovakia; Slovenia; Spain; Sweden; and the United Kingdom.

The six founding nations were Belgium, France, Germany (West), Italy, Luxembourg and Netherlands.

In 1973, it was enlarged to nine nations with the addition of Denmark, Irish Republic and UK.

It was further enlarged with the addition of Greece in 1981, and Portugal and Spain in 1986. This was the same year that the free movement of people within the Union was established. The EU flag was also introduced.

In 1990, Germany was reunited with the consequence that what was East Germany became part of the EEC.

The EEC formally became the European Union on 1 November 1993 under the Maastricht Treaty.

In 1995, Austria, Finland and Sweden joined.

The EU introduced a single currency, later called the euro in 1999. This became the actual currency in 12 states in 2002, later adopted by a further seven states.

In 2004, ten countries joined: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. Eight of these countries had been Communist states 20 years earlier.

In 2007, Bulgaria and Romania joined. In 2013, Croatia became the last country to join.

In 2016, the UK voted in a referendum to leave the European Union.

European Union Emissions Trading Scheme (EU ETS)

Scheme launched in 2005 to reduce emissions of carbon dioxide. It aims to reduce emissions by 21% by 2020 without the need for direct government

enforcement measures.

The basic principle uses the **cap and trade** method. The overall amount of emissions is capped. **Emission allowances** are then auctioned (and subject to special tax provisions in the UK). If a factory exceeds its allowance, it must purchase more from someone who has not used their allowance.

European Union Referendum	Referendum held in the UK and Gibraltar on 23 June 2016 on whether the UK should remain a member of the European Union. The law is European Union Referendum Act 2015.
European weapons Directive	“Means the Directive of the Council of the European Communities No. 91/477/EEC (Directive on the control of the acquisition and possession of weapons)” (Firearms Act 1968 s57).
Euro STOXX	Benchmark equity index compiled by Dow Jones. It tracks 50 leading European companies.
euro symbol	The sign €, which is placed before the number to indicate an amount in that currency.
Eurovision	European television network.
euroyen	Japans yen deposited in a European bank for use outside Japan.
Eurozone	European countries which adopted the single currency or euro as their currency. It is also known as Euroland .
EUSD	European Union Savings Directive, 2003/48/EC given effect in UK law as SI 2003 No 3297.
EU treaties	A schedule of treaties dating back to 1972, as listed in European Communities Act 1972 s1(2).
EUUT	Exempt unauthorised unit trust.
EU (Withdrawal) Act	Act of 2018 that takes the UK out of the European Union. It received Royal Assent on 26 June 2018. It repeals European Communities Act 1972 and transposes EU law into UK law.
EV	Expected value of the remaining chargeable assets, as used in the formula in Taxation of Capital Gains Act 1992 Sch 4B para 11(2).
EVA	Economic value added
evade	Avoid, usually illegally. The term is often used for the illegal avoidance of paying tax, whereas avoidance is legal.
evaluation	Process of ascribing a value to a product, service, job, asset or business.

evaporation	<p>Process by which a liquid turns to vapour. This may need accounting for when valuing liquids, such as for alcoholic liquor duty.</p> <p>The terms means loss of assets from other causes.</p>
evasion	<p>“Evasion is an English word that means to get out of something. If you evade something, you get out of its way, you dodge it” (Judge Crabtree in <i>R v Dealy [1995] STC 217, CA</i>).</p>
Event A	<p>For hydrocarbon oil duty, the event set out in Hydrocarbon Oil Duties (Payment of Rebates) Regulations SI 1996 No 2313 reg 6(2).</p>
Event B(1)	<p>For hydrocarbon oil duty, the event set out in Hydrocarbon Oil Duties (Payment of Rebates) Regulations SI 1996 No 2313 reg 6(3)(a).</p>
Event B(2)	<p>For hydrocarbon oil duty, the event set out in Hydrocarbon Oil Duties (Payment of Rebates) Regulations SI 1996 No 2313 reg 6(3)(b).</p>
Event B(3)	<p>For hydrocarbon oil duty, the event set out in Hydrocarbon Oil Duties (Payment of Rebates) Regulations SI 1996 No 2313 reg 6(3)(c).</p>
event day	<p>Day where a charity holds an event to which the public is admitted (Income Tax Act 2007 s421(4)). Such a day may be excluded from considering whether a right of admission to a charitable donor restricts the tax relief for the donation.</p>
event-driven investing	<p>Investment strategy that responds to events, such as proposed mergers.</p>
eve of retirement	<p>Term used for those aged between 55 and 64, particularly with regard to their wealth and financial arrangements.</p>
evergreen lease	<p>Lease that lasts indefinitely until either the lessor or lessee gives notice to the other. Such leases commonly exist for the rights to use land for annual events. The notice period is typically five or ten years.</p>
Eversden	<p>Case that allowed an inheritance tax avoidance scheme which used the spouse exemption to override the gift with reservation rules by using a trust. The case was <i>IR Commissioners v Eversden (as executors for Greenstock deceased) [2003]</i>. This scheme has now been closed by legislation.</p>
everyday wardrobe	<p>Term used in the Inspectors' Manual at BIM37910 to identify clothing that is not tax-deductible.</p> <p>Such clothing is not deductible even where it can be shown that it is worn only for work, that it is a legal or contractual requirement to wear such clothing, that the cost is greater than for normal clothing, or that the nature of the work means that the clothing gets extra wear or requires additional cleaning.</p>
evidence	<p>Definition</p> <p>Documents, testimony and other means by which facts are adduced. The courts have developed many rules of what constitutes acceptable evidence.</p>

The acceptability of evidence is broadly a two-stage process: whether the evidence is relevant, and whether there is any reason to exclude it.

“Solid reasons for believing that something has or hasn't happened” (website of Crown Prosecution Service).

“At a criminal trial or a proof in a civil proceedings, witnesses take the oath or affirm to tell the truth and given oral evidence in court in answer to questions . Sometimes written evidence (affidavit evidence) is allowed. “(Judiciary of Scotland website glossary).

Rules of evidence

For tax cases, there are rules of evidence in The Tribunal Procedure (First-tier Tribunal) (Tax Chamber) Rules SI 2009 No 273.

The general principle has been clarified in these words: “the presumption must be that all relevant evidence should be admitted unless there is a compelling reason to the contrary” (per *Mobile Export 365 Ltd v HMRC [2007]*).

In the case *Megantic Services Ltd v HMRC [2009]*, it was ruled that late evidence could be accepted even after a date when a direction had been given that no further evidence was to be admitted.

HMRC documents

A document that appears to have been issued or signed by statutory authority of the Commissioners of HMRC shall be so treated, and is admissible in legal proceedings (Commissioners for Revenue and Customs Act 2005 s24).

evidence in chief

Evidence first given by a witness. Subsequent evidence, such as from answers to questions, is called cross-examination. There are different rules for the two forms of evidence.

evidence of removal

Evidence that goods have been removed to a customer in another EU member state. Having sufficient evidence is a condition of being able to zero-rate the supply. Guidance on what constitutes such evidence is given in VAT notice 725. Basically the documentation must identify:

- the supplier, and the consignor if different
- the customer
- the goods, accurately described
- an accurate value
- the mode of transport and route taken by the goods
- the EC destination.

evidence to correct a false impression

Term used in Criminal Justice Act 2003 s105 in relation to evidence in criminal proceedings.

evidential stage

The former of two stages of the **full code test** of the CPS in deciding whether to prosecute. The latter stage is the **public interest stage**.

For the evidential stage, “prosecutors must be satisfied that there is sufficient evidence to provide a realistic prospect of conviction against each

suspect on each charge" (website of the Crown Prosecution Service).

In turn this requires positive answers to three questions:

- can the evidence be used in court?
- is the evidence reliable?
- is the evidence credible?

EVPI	Expected value of perfect information.
EVR	Electronic Version of the Tax Return.
EWER	Excise Warehousing (Etc) Regulations.
ex	Latin: without
EX46	Standard beer duty return form.
exa-	Prefix used in metric units. It means 10^{18}
ex abundanti cautela	Latin: from excess of caution.
exact interest	Term sometimes used to describe method of calculating interest on the basis of 365 or 366 days in a year, as against ordinary interest where it is calculated on the basis of 360 days.
exactly tracking contract	In relation to embedded derivatives, the term is used in Corporation Tax Act 2009 s649(2) and defined in s657.
exact science	Mathematical subjects, because their answers can be calculated precisely.
ex aequo et bono	Latin: in justice and good faith
ex all	Without any advantages attached to the share. The opposite is cum all .
examination	Interrogation of a witness in court. Examination by the witness's own counsel is called examination-in-chief . Examination by the opposing counsel is called cross-examination . Further examination by own counsel is called re-examination .
examination-in-chief	Initial examination of a witness by the witness's own counsel in court.
examination of individual or group accounts	Term used in Charities Act 2011 s154(3).
examination station	Place at an airport where Customs officers may examine imported goods. They must be approved under Customs and Excise Management Act 1979 s22.
ex ante	Before the event. The term often describes a budget prepared before the budgeted

activity commences.

ex autoritate mihi commissa Latin: by the authority entrusted to me.

EXC Prefix for HMRC's tax manual on excise competent official guidance.

excambion In Scots law, an exchange of lands.

ex capitalisation With all rights of **capitalisation** being given to the current shareholder and not to any purchaser of the shares.

excepted asset For inheritance tax, "an asset on which **business relief** is not available because it is not used wholly or mainly for the purposes of a business throughout two years before a transfer" (HMRC inheritance tax glossary).

excepted charity Church that need not submit accounts to the Charity Commissioners.

excepted deductions Deductions that an employer may make from the pay of an employee (Employment Rights Act 1996 s14).

excepted estate An estate that does not have to be reported to HMRC as no inheritance tax is likely to be payable (Inheritance Tax Act 1984 s256).

The values are given in statutory instruments. Since 6 April 2004, there have been three types of such estate |:

- **low value estates**
- **exempt estates**
- **foreign estates.**

A low value estate is one with these limits

- total gross value: no more than **nil rate band**,
- total gross value of property outside UK: £100,000 (£75,000 between 6 April 2002 and 31 August 2006)
- total value of settled property: £150,000
- total value of **specified transfers**: £150,000 (£100,000 between 6 April 2000 and 31 August 2006)

If any of these limits are exceeded, a return must be made.

Specified transfers include chargeable transfers made within seven years of death of cash, quoted shares or securities, and certain land interests and chattels if made at the same time to the same person.

excepted loan relationship outcome

Term used for diverted profits tax as set out in Finance Act 2015 s109.

excepted settlement

Settlement where there is no qualifying interest in possession for a small amount of cash.

From 6 April 2007, an account for inheritance tax need not be delivered if:

- cash is the only property of the settlement
- after making the settlement, the settlor provides no further property which became comprised in the settlement
- the trustees of the settlement are resident in the UK throughout

the existence of the settlement

- the gross value of the settled property throughout the existence of the settlement does not exceed £1,000; and
- there are no related settlements.

excepted termination

In relation to inheritance tax on an interest in possession in settled property, a termination where:

- the transferor has given notice to the trustees of available exemptions under Inheritance Tax Act 1984 s57(3), and
- the amount of the transfer does not exceed the amount of the exemption specified in the notice.

excepted transfer

Transfer of assets that need not be reported to HMRC. From 6 April 2007, these are transfers below the **nil rate band** for inheritance tax.

excepted vehicles

Vehicles that may use fuel on which hydrocarbon oil duty has not been paid (Customs notice 75).

They include **tractors, light agricultural vehicles, agricultural material handlers, agricultural engines, agricultural processing vehicles, mowing machines, snow clearing vehicles, gritters, mobile cranes, mobile pumping vehicles, digging machines, works trucks, road construction vehicles, road rollers, road surfacing machines, tar sprayers** and unlicensed vehicles not used on public roads.

except for

Words that introduce a clause in the **auditor's report** where the auditors disagree with the accounts.

exceptional circumstances

Term used in extra-statutory concession A19 in relation to when the state will give up tax notified within 12 months of end of the relevant tax year.

The interpretation of these circumstances was considered by the tax tribunal in the case *Clarke TC 1164*.

exceptional item

Normal trading transaction which is particularly large or unusual. It must be noted in the accounts.

It should be distinguished from an **extraordinary item** which is *outside* normal trading activities and must be shown separately in the profit and loss account.

exceptional rate

Rate of **vehicle excise duty** for the heaviest goods vehicles.

exception confirmat regulam

ELatin: the exception proves the rule.

This means that the wisdom of a rule is determined when it gives a just answer to an unforeseen problem.

exception proves the rule

Common saying that means that the value of a rule is demonstrated when it gives the right answer in exceptional circumstances not considered when the rule was formulated.

exceptis excipiendis

Latin: excepting what is expected to be excepted.

excerptia	Latin: extracts, selections.
excess	(1) The amount by which one amount is greater than another. (2) In insurance, the amount of loss which the insured bears himself so the claim is restricted to the loss which exceeds this figure. For example, a motor insurance policy may have an excess of £200. This means that the policy holder bears all losses up to £200 without making a claim. If a loss of, say, £500 is made, the insurance company will pay the excess of £300.
excess adjusted life assurance trade profits	Term that is defined in Finance Act 1989 s85A(2).
excess allowance	Capital Allowances Act 2001 s111 gives this a specific meaning in relation to capital allowances for plant and machinery subject to overseas leasing. Capital Allowances Act 2001 s260 gives it a specific meaning for special leasing . The section contains a mechanism for recovery of the allowance.
excess expenditure for section 148E	In relation to losses under long-funding operating leases, this term is defined in Income Tax (Trading and Other Income) Act 2005 s148F(7).
excess finance and IP income	In relation to controlled foreign companies , a term that is used in Income and Corporation Taxes Act 1988 s751AB(7).
excessive remuneration	Remuneration that is paid for a non-trade purpose and is therefore not taxable by a trade. Payment significantly above market rates may indicate excessive remuneration but this is not conclusive. The situation commonly arises when family members are employed. A leading case is <i>Stott & Ingham v Trehearne [1924] 9TC69</i> . The matter is discussed in the Inspectors' Manual at BIM37707.
excessive return condition	Condition once imposed by Income Tax Act 2007 s693 in respect of an abnormal dividend . It broadly required the dividend to be taxed as if it had been returned to the company. This section was repealed from 24 March 2010 by Finance Act 2010 s38 and Sch 12 para 2, since when abnormal dividends are caught by Corporation Tax Act 2010 s731.
excessive set-off	When a taxpayer has claimed too much tax relief under a tax credit received with a dividend payment. The procedure for claiming back the tax is set out in Income and Corporation Taxes Act 1988 s252.
excess policy	Policy in respect of matters that are covered by another policy. The insurer of an excess policy has no liability until the claim has been met on the first policy.
excess profit	Profit which is greater than expected.

excess profits duty	Tax charged between 1915 and 1921 at 50% of profits earned above a pre-war standard.
excess profits tax	<p>Tax charged between 1946 and 1954 as an addition to other taxes. It compared wartime profits with pre-war profits. The difference was taxed, first at 60% and then at 100%.</p> <p>The tax was repealed from 1 January 1946 under Finance (No 2) Act 1945 s29.</p> <p>The right to reclaim this tax "after the termination of hostilities" is given in Finance Act 1941 s28 as inserted by Finance Act 1942 s37. This provision seems not to have been repealed.</p>
excess relevant value for section 148D	In relation to losses under long funding operating losses, this term is defined in Income Tax (Trading and Other Income) Act 2005 s148F(6).
excess relief	<p>For capital gains tax on a former employee's employment liability, this "means the difference between —</p> <ul style="list-style-type: none">(a) the total amount which may be deducted, and(b) the remaining total income" <p>(Taxation of Capital Gains Act 1992 s263ZA).</p>
excess reserves	American term for reserves which are greater than amounts required by a regulatory authority.
excess shares	Shares in excess of the number prescribed under rules for profit-sharing . The term is defined in Income and Corporation Taxes Act 1988 Sch 10 para 6(2).
excess tobacco products	Tobacco products removed for home use in contravention of an anti-forestalling provision (Tobacco Products Duty Act 1979 s6B(8)).
ex facie	Latin: on the face of it. In other words, evidently or apparently.
exchange	<p>Giving up one asset for another, such as converting one currency to another.</p> <p>Note that exchange for currency means that one currency is replaced by another. If an amount in one currency is simply expressed as a value in another currency, it is said to be translated.</p>
exchange control	<p>Government restrictions on converting its currency to other currencies.</p> <p>UK exchange control was generally abolished in 1979.</p>
exchange delivery settlement price (EDSP)	Price for physical delivery of the underlying instrument, or the price at which contracts are settled for cash. The price is often derived from an average of traded prices over a set period.
exchange for physicals	Transaction in which one party buys a physical commodity and simultaneously sells futures, and the other party does the converse.

exchange gains and losses	<p>Gains and losses that arise from differences in exchange rates, rather than from trading.</p> <p>Corporation tax provisions are given in Corporation Tax Act 2009 from s328.</p>
Exchequer	<p>Fund of all money received by the government.</p> <p>The term dates back to 1100. It is derived from the chequered cloth, like a chess board, that traditionally covered the table.</p>
exhibition	<p>In relation to museums and galleries exhibition tax relief, "means a curated public display of an organised collection of objects or works (or of a single object or work) considered to be of scientific, historic, artistic or cultural interest" (Corporation Tax Act 2009 s1218ZAA(1)).</p>
excisable	<p>Subject to excise duties.</p>
excise	<p>Tax charged on certain goods and services, currently on tobacco, alcohol, betting and gaming, road fuel and vehicles.</p>
excise assurance officer	<p>Employee of HMRC who deals with businesses that deal in excised goods, namely hydrocarbon oils, alcohol, tobacco, and betting and gaming.</p>
excise duties	<p>Sales tax charged on items, particularly luxury items. They were first introduced in 1643. The first duties were imposed on ale, then beer, and then food and clothing. The scope was progressively extended, leading to civil unrest in 1647.</p> <p>In 1683, the scheme was recast. The collection of excise duties was no longer farmed out by collected by excise men who established a reputation for ruthlessness. The main duties were imposed on soap, candles, leather, salt and brewing malt.</p> <p>In 1723 bonded warehouses were created, and initially used for tea, coffee and cocoa. Salt was removed from excise in 1730 after popular protest, though it was subsequently re-excised until 1822. Part of their function is to reduce consumption on products seen as harmful, where excise acts as a sumptuary tax.</p> <p>By the 19th century, many items were excised. This included licences for solicitors, hawkers and railway operators. Excise was charged on employment of servants, armorial bearings and any other obvious sign of status or luxury. Many 19th century excises were short-lived.</p> <p>During the 20th century, the scope of excise duties was progressively rolled back in preference to sales taxes such as purchase tax and value added tax.</p> <p>Excise duty is now limited to hydrocarbon oil duty, alcoholic liquor duty, gaming duty and tobacco duty.</p> <p>There is a separate vehicle excise duty.</p>
excise duty point	<p>Point in time when excise duties become payable. These may be fixed by the European Union under Finance (No 2) Act 1992 s1.</p>

excise goods	Goods, other than chewing tobacco, which are chargeable with a duty of excise by or under the Alcoholic Liquor Duties Act 1979; the Hydrocarbon Oils Duties Act 1979 or the Tobacco Products Act 1979.
Excise Helpline	A number that can be called for issues relating to excess duties, such as to extend a distillation period in manufacturing spirits. The number is 0845 010 9000.
excise label	Label indicating that excise duty has been paid. For forgery, improper use and similar offences, such a label is treated as if it were a stamp for stamp duty (Stamp Duties Management Act 1891 s23).
excise law	American term for a liquor or licensing law.
excise licence duty	Excise duty charged on those who were allowed to produce excisable goods. The duty was abolished on 19 March 1986.
excise licence trade	With one exception means, "a trade or business for the carrying on of which an excise licence is required" (Customs and Excise Management Act 1979 s1(1)). The exception relates to the sale of tobacco which is regarded as an excise licence trade even though a licence is no longer required (ibid s1(5)).
excise licence	An annual tax charged on those who made liquor, methylated spirits and matches. The excise licence was abolished on 19 March 1986.
exciseman	Person responsible for administering excise duty.
Excise Payment Security System (EPSS)	Procedure that may be used by producers of excised goods (such as liquor) as an alternative to providing a guarantee to secure payment of excise duty. This broadly requires a satisfactory compliance record for excise duty and VAT.
excise tax	American term for a tax levied for a particular purpose.
excise warehouse	A warehouse authorised by HMRC for the deposit, without payment of duty, of goods liable to excise duty. There are special requirements for premises for the storage of oil. The statutory definition is "a place of security approved by the Commissioners under subsection (1) (whether or not it is also approved under subsection (2)) of section 92 below, and, except in that section, includes a distiller's warehouse" (Customs and Excise Management Act 1979 s1(1)).
exclaustration	Return of a monk or nun to the outside world on release of vows.
excluded activities	Term used in Income Tax Act 2007 s303 in relation to activities for which it is not possible to claim the special tax provisions for venture capital trusts .
excluded activities	Trading activities which exclude a company from a scheme. Certain activities exclude the special tax reliefs under Enterprise Investment Scheme and VCT,

for example. The list for VCT is given in Income Tax Act 2007 s303.

- excluded benefit** Benefit provided to an employee that is not taxable (Income Tax (Earnings And Pensions) Act 2003 s202).
- excluded business expenses** For PAYE, payments that an employer may legally make to an employee without having to deduct income tax. A full definition is given in PAYE Regulations SI 2003 No 2682 reg 5.
- excluded decision** Decision of the Upper Tribunal for which there is no right of appeal to the Court of Appeal (Tribunals, Courts and Enforcement Act 2007 s13(8)).
- excluded entity** In relation to corporation tax on banking companies, the term refers to non-banking activities that are excluded. A full definition is given in Corporation Tax Act 2010 s269BA.
- excluded exemption** Category of exclusions from the provisions of **optional remuneration arrangements** (Income Tax (Earnings and Pensions) Act 2003 s228A as inserted by Finance Act 2017 Sch 2).
- excluded financial services contract**
This "is a contract which —
(a) is for financial services (see section 2) or is a regulated agreement within the meaning of the Consumer Credit Act 1974 (see section 189 of that Act); and
(b) is of a prescribed description."
(Small Business, Enterprise and Employment Act 2015 s1(4)).
Such a contract is excluded from the general ban of a **non-assignment of receiveables term**.
- excluded notional payments** For PAYE, certain payments made by using credit-tokens or vouchers. The term is fully defined in PAYE Regulations SI 2003 No 2682 reg 4(2).
- excluded pecuniary liabilities** For PAYE, "means payments made to a person other than an employee to meet the employees liability to that other person, but which are not made —
(a) in fulfilment (in whole or in part) of the employee's right to a sum of money, nor
(b) as, or as part of, any scheme or arrangement the purpose, or one of the main purposes of which is to avoid the making of a **relevant payment**" (PAYE Regulations SI 2003 No 2682 reg 4(2)).
- excluded plant and machinery** Term used and defined in Capital Allowances Act 2001 s212J(4) in relation to an anti-avoidance provision.
- excluded property** Property whose transfer cannot give rise to a liability under inheritance tax (Inheritance Tax Act 1984 s3(2) and 6).
The main categories of excluded property are:
• non-UK property of someone who is not UK-domiciled;
• holdings in UK authorised unit trusts or open-ended investment companies;

- decorations for bravery or gallantry; and
- a reversionary interest in a settlement, unless it was acquired for money or money's worth.

excluded provision	Benefits in kind that are exempt from tax and are therefore exempt from class 1A national insurance unless specifically stated otherwise The term is used in Social Security Contributions and Benefits Act 1992 s10.
excluded regions	Parts of the UK that are excluded from a law or other provision. In particular the term is used to mean the regions excluded from the national insurance holiday introduced in 2010. Under National Insurance Contributions Act 2011 s4(5) the excluded regions "are Greater London, the South East Region and the Eastern Region ".
excluded relocation expenses	For PAYE, "means payments in respect of removal expenses as defined by section 272 of [Income Tax (Earnings And Pensions) Act 2003] ... if, and to the extent that they are payments of net PAYE income" (PAYE Regulations SI 2003 No 2682 reg 4(2)).
excluded remuneration	Remuneration paid to a bank employee that is not subject to bank payroll tax .
excluded services	For the purposes of taxing agency workers: “(a) services as an actor, singer, musician or other entertainer or as a fashion, photographic or artist's model, or (b) services provided wholly — (i) in the worker's own home, or (ii) at other premises which are neither controlled or managed by the client nor prescribed by the nature of the services" (Income Tax (Earnings And Pensions) Act 2003 s47(2)).
excluded settlement	For capital gains tax on settled property, this term is defined in Taxation of Capital Gains Act 1992 Sch 1 para 2(7).
excluded territories exemption	Under controlled foreign company rules from 2012, an exclusion where the foreign profits are earned in a territory on a published list, and where other conditions are met.
exclusion	State of not being included. In human resources, it means the state of not being able fully to participate in society. In insurance, it refers to a peril or item that is not insured. In the USA, the term refers to income that is not taxable.
exclusion clause	Provision in an insurance policy stating when the insurance company will not pay against a claim.

exclusion requirement	Requirement that an offender subject to certain types of order must not enter a specified place for a specified period (Criminal Justice Act 2003 s205).
exclusions	Conditions or circumstances listed in an insurance policy for which the insurer does not provide benefits.
exclusive agreement	Agreement where a person is given a sole right, such as being the only person allowed to sell a particular product.
exclusive distribution	Limiting the distribution of a brand or product to particular retail store to make the brand or product exclusive.
exclusive licence	In relation to capital allowance for patents, "means a licence to exercise those [patent] rights to the exclusion of the grantor and of other persons for the period remaining until the rights come to an end" (Capital Allowances Act 2001 s466(4)).
exclusively	One of the conditions that must be met for trade expenditure to be tax-deductible. The word relates to the purpose of the payment. It appears with the word wholly which relates to the amount.
exclusivity	In relation to employment, this usually refers to a zero-hours contract where the employee is not allowed to work for anyone else.
exclusivity agreement	<p>Agreement between a supplier and a seller whereby the latter receives a payment from the former for only selling his product. Such arrangements are common for petrol stations and pubs. In other businesses, such arrangements may fall foul of competition laws.</p> <p>For tax purposes, any payment made in connection with such an agreement is taxed either as income or capital, depending on the nature of the payment. It is usually taxed as income unless the seller can show that the sum was to be spent on capital items.</p>
exclusivity tie	<p>Payment by a supplier to restrict a retailer's choice of products. This has been common in the oil industry.</p> <p>Leading cases on this are <i>Bolam v Regent Oil Co Ltd</i> [1956] 37TC56 and <i>Strick v Regent Oil Co Ltd</i> [1965] 43TC1.</p> <p>These are discussed in the Inspectors' Manual at BIM35555 and BIM35560 respectively.</p>
ex concessis	Latin: from what has been conceded.
ex consequenti	Latin: by way of consequence.
ex contractu	Latin: arising from the contract.
ex coupon	<p>Without the coupon.</p> <p>This is usually a description of a security where a recent interest payment has been made to the previous holder.</p>

ex curia	Latin: out of court.
Ex D	Exchequer Division. A series of Law Reports published between 1865 and 1875.
ex debito justitiae	Latin: from what is due to justice.
ex dilecto	Latin: arising from a crime.
ex diuturnitae temporis omnia praesumuntur esse rite et solemniter acta	Latin: from lapse of time, all things are presumed to have been done rightly and regularly.
ex div	Without dividend. The term is used to denote a share where the next dividend will be paid to the present owner and not to the purchaser. The opposite is cum div . The price paid usually reflects the lack of the next dividend.
ex dolo malo non oritur actio	Latin: no right of action can have its origin in fraud.
ex dono	Latin: by gift, as a present from
ex dubito justitiae	Latin: of legal right. The term applies to a remedy given to an applicant as of legal right.
execute and eliminate	In investment, order given to a broker when buying shares. The broker is told what shares to buy in what company and for how much. The broker buys what he can of the order and eliminates the rest of the order.
execution	(1) Completion of an obligation under a contract. (2) Completion of an obligation under an order of a court. (3) Putting to death as a punishment. The last execution in UK was in 1964.
execution of company document	Process by which a company gives effect to a document. This requires the company either to affix its common seal (if it has one) or for the document to be signed by two authorised signatories or by a director in the presence of a witness (Companies Act 2006 s44).
execution only	Where a customer buys a financial product without receiving advice on its suitability.
execution only broker	Broker who trades in shares and other securities but does not give any advice to the client.
executive development	In human resources, the training of a worker with a view to assuming an executive role.
executive insurance	US term for an insurance policy taken out on the life of an executive or employee whose death would cause serious loss to the company. In the UK,

this is known as **keyman insurance**.

Executive Order In the USA, an official Directive from the President that has the force of law.

executive outplacement In human resources, a programme designed to help displaced executives with career management, in a manner which exceeds normal outplacement assistance.

executive pension plan (EPP) An individual occupational pension arrangement that is normally used for directors or senior employees. Such a pension plan is regulated by the same rules as occupational pension schemes.

executive power Right to act as a director and to make decisions.

executive share option scheme

Scheme, usually for directors and senior managers, whereby they have the right to buy shares at a future date at a fixed price. The more the shares increase in value, the more the scheme is worth to them.

The term was specifically applied to a tax-advantaged share scheme that operated from 1984 until it was replaced by **company share option plans** from 17 July 1995.

The main elements of the original scheme were:

- the value of the shares could not exceed the higher of £100,000 or four times salary for the current or previous year
- the option has to be exercised between 3 and 10 years from when granted
- the price for the shares had to be at least 85% of market value when issued (100% before 1 January 1992)
- the option could not be exercised more frequently than once every three years.

There were other conditions.

executives' remuneration reports

Report on the remuneration of executives of financial institutions. Such a report may be made by the Financial Services Authority under Financial Services Act 2010 s4.

executor Person who administers the estate of someone who has died and left a will.

executor-dative Man who is appointed by a Scottish court to administer the estate of a deceased person, usually when there is no will or when no executor is named in the will.

"A person appointed by the court to gather and distribute a the estate or property of a deceased person." (Judiciary of Scotland website glossary).

executor de son tort Person who acts as **executor** without having the necessary authority. Such a person has the liability of an executor without any of the rights.

executor-nominate Man who administers a deceased person's estate in Scotland by being named in the will.

"The person named in the will of the deceased to gather and distribute the

estate or property of a deceased person. . "(Judiciary of Scotland website glossary).

executorship	Discipline of dealing with the estates of those who have died.
executor's year	The period of one year in which an executor traditionally deals with the estate of the deceased.
executrices	Plural of executrix .
executrix	Female executor .
executrix-dative	Woman who is appointed by a Scottish court to administer the estate of a deceased person, usually when there is no will or when no executor is named in the will.
executrix-nominate	Woman who administers a deceased person's estate in Scotland by being named in the will.
exemplary damages	Heavy damages which a court adds as a means of the court expressing that the defendant has behaved badly towards the claimant.
exempli gratia (eg)	Latin: for example.
exempt	Not required to follow a law, rule or other provision. In VAT, a supply where the supplier does not charge VAT but cannot claim back any VAT paid because the supply qualifies for exemption .
exempt ABGH distribution	In relation to a company with an investment business, "means a distribution which — (a) is a distribution for the purposes of the Corporation Taxes Acts only because it falls within paragraph A, B, G or H of section 1000(1) of [Corporation Tax Act 2010], and (b) is exempt for the purpose of Part 9A (company distribution)" (Corporation Tax Act 2009 s1222(4)).
exempt approved scheme	An HMRC approved pension scheme, which is established under an irrevocable trust and hence qualifies for tax advantages relating to contributions, income and capital gains from investments.
exempt assets	Assets which are exempt from capital gains tax when disposed, such as wasting assets like cars and animals.
exempt beneficiary	Term used in Inheritance Tax Act 1984 s29A with regard to a beneficiary not liable to pay inheritance tax, such as a spouse. The provision is relevant for abating tax reliefs for payments made from a beneficiary's own resources .
exempt benefit	"Benefit the direct provision of which is exempted from liability to income tax by a provision of Part 4 (employment income exemptions)" (Income Tax (Earnings And Pensions) Act 2003 s96A(1)).

exempt charity	A charity that is relieved of some accounting requirements. The law is contained in Charities Act 2011 s22 and Sch 3.
exempt commodities firm	In relation to corporation tax on banks, this term is defined in Corporation Tax Act 2009 s133F(4) as inserted by Finance (No 2) Act 2015 s18.
exempt department	Certain government departments that were allowed to buy goods free of purchase tax, provided they indemnified the supplier.
exempt deposit rights	In relation to income by a charitable trust, means “(a) a right to receive, with or without interest, a principal amount stated in, or determined in accordance with, the current terms of issue of an eligible debt security, where in accordance with those terms the issue of uncertificated units of the eligible debt security corresponds to the issue of a certificate of deposit, (b) a right to receive the principal amount stated in a certificate of deposit, with or without interest, and (c) an uncertificated right to receive a principal amount, with or without interest, as a result of a deposit of money” (Income Tax Act 2007 s534(4).
exempt distribution	Type of distribution between companies in a group which has a special tax treatment under Income and Corporation Taxes Act 1988 s213. In relation to value shifting , the term is defined in Taxation of Capital Gains Act 1992 s31(7).
exempt dwelling	Residence that is not liable for council tax, such as vacant dwellings (subject to time limits and conditions).
exempted large goods vehicle	Vehicle which may be driven by a holder of a driving licence for a car even though the vehicle weighs more than 3,500 kilograms. Such vehicles include steam engines, tractors and construction vehicles.
exempt gift	Gift that is exempt from inheritance tax. The tax-free value of the gift may be abated when a payment is made from a beneficiary's own resources . Exempt gifts are: <ul style="list-style-type: none">• gifts made more than seven years before death• gifts to spouses or civil partners• small gifts of up to £250 to any number of recipients• other gifts up to £3,000 a year• gifts in consideration of marriage• gifts to charity or eligible political parties• gifts for national purposes• normal expenditure out of income.
exempt input tax	Input tax incurred on goods and services purchased which are wholly used, or to be used, in making exempt supplies. After the method has been applied, this value will include the exempt element of residual input tax identified by the partial exemption method.

exempt investment fund	Collective fund that is exempt from certain tax provisions. Such funds are usually either charities or pension funds.
exemption	<p><i>Valued added tax</i></p> <p>For VAT, a supply on which no VAT is charged but for which the trader may not claim input tax.</p> <p>It should be noted that some EU directives use the term “exemption” for what the UK calls zero-rating.</p> <p>The law on exemption is given in Value Added Tax Act 1994 s31. The schedules of exempt supplies is given in <i>ibid</i> Sch 9.</p> <p><i>PAYE</i></p> <p>The term is given a specific meaning for items of benefit that may be provided tax-free to employees without requiring a dispensation.</p> <p>These provisions apply from 6 April 2016 under Income Tax (Earnings and Pensions) Act 2003 s289A as inserted by Finance Act 2015 s11.</p> <p><i>US taxation</i></p> <p>An allowable expense that may be deducted from taxable income.</p>
exemption certificate	<p>Document that indicates that something qualifies for exemption from a provision.</p> <p>An example is a certificate that may be issued by the Health and Safety Executive in relation to the importation of fertiliser. This certificate may be needed to obtain Customs clearance.</p>
exemption clause	<p>Clause in a contract which seeks to exempt one party from a liability in certain events. Such a clause is only effective if:</p> <ul style="list-style-type: none">• it is an express clause of the contract;• properly construed, it covers the liability in question; and• there is no legal bar to enforcing such a clause. <p>A legal bar may arise from specific legislation (eg Sale of Goods Act 1979 or Unfair Contract Terms Act 1977) or under common law, such as when there has been a complete failure by one party to perform his obligations.</p>
exemption condition	For the purposes of amending EU treaties, an amendment that does not come within the scope of European Union Act 2011 s4 (<i>ibid</i> s2(3)).
exemption from registration	The waiver of the requirement to register on request if all, or most, of the applicant's taxable supplies are zero-rated. The law is given in Value Added Tax 1994 Sch 1 para 14.
exemption from registration	When a person or business is exempted from a requirement to register which would otherwise apply. The term is particularly used for VAT and applies to businesses with a turnover above the registration threshold but where all the supplies are either exempt or zero-rated. HMRC will also a business to be exempted if it makes some standard-rated supplies but the input tax claimable is more than the output tax chargeable.

exempt lifetime transfer	Transfer of property made during the lifetime of a person which does not form part of their estate on death. Examples include transfers of up to £3,000 a year, and gifts in consideration of marriage.														
exempt lottery	Lottery which is exempt from the licensing requirements. The conditions for such a lottery are set out in Gambling Act 2005 Sch 11 and supporting regulations.														
exempt persons	Importers who are not registered for VAT or registered taxable persons who are reimporting goods other than in the course of their business.														
exempt property relief	In relation to the remittance basis, this refers to a relief as set out in Income Tax Act 2007 from s809X.														
exempt rate card	Card provided to a married woman to show that she had made a valid election to pay the reduced rate of class 1 national insurance. Such an election cannot be made from 1977, but existing elections can remain valid. From 1974, these records were computerised.														
exempt reasons	In relation to an auditor, this term is defined in Companies Act 2006 s519A(3).														
exempt schedule	Value Added Tax Act 1994 Schedule 9. This lists 13 Groups of supply which are exempt from VAT: <table><tr><td>1 Land</td><td>8 Burial and cremation</td></tr><tr><td>2 Insurance</td><td>9 Trade unions and professional</td></tr><tr><td>3 Postal services</td><td>10 Sports competitions</td></tr><tr><td>4 Betting, gaming etc</td><td>11 Works of art etc</td></tr><tr><td>5 Finance</td><td>12 Charity fund-raising events</td></tr><tr><td>6 Education</td><td>13 Cultural services</td></tr><tr><td>7 Health and welfare</td><td></td></tr></table> <p>The exact scope of each Group must be carefully considered before exempting a supply. Many supplies which may come within these general headings are not exempt.</p>	1 Land	8 Burial and cremation	2 Insurance	9 Trade unions and professional	3 Postal services	10 Sports competitions	4 Betting, gaming etc	11 Works of art etc	5 Finance	12 Charity fund-raising events	6 Education	13 Cultural services	7 Health and welfare	
1 Land	8 Burial and cremation														
2 Insurance	9 Trade unions and professional														
3 Postal services	10 Sports competitions														
4 Betting, gaming etc	11 Works of art etc														
5 Finance	12 Charity fund-raising events														
6 Education	13 Cultural services														
7 Health and welfare															
exempt subsidiary undertaking	A company or other trading body which is at least 90% owned by another. Transactions between those two bodies need not be disclosed as a related party disclosure in the accounts (FRS 8 para 12).														
exempt supplies	Supplies made by a business which are listed in Schedule 9 of the VAT Act 1994. VAT incurred in making exempt supplies is non-recoverable, subject to the de minimis test.														
exempt supply	A supply for which no tax is payable and in respect of which Input tax cannot be claimed.														
exempt unauthorised unit trust (EUUT)	Unauthorised unit trust all of whose investors are wholly exempt from capital gains tax or chargeable gains.														

exequatur	Latin: he may perform (or exercise). Term of a permission, particularly by a government in which a diplomat of another country works.
exercise	(1) Use a right, such as taking up the shares in an option. (2) Dummy run of a procedure to see how well it works.
exercise date	Date when an option may be taken up.
exercise notice	Formal notice that the holder of an option is exercising his rights.
exercise of option	"When the option-holder uses the rights under the option to buy shares at the option exercise price" (Inspectors' Manual at BIM 44001).
exercise of significant influence	Expression used in FRS 6 when an investor influences policy decisions of the company in which he has invested.
exercise price	Price at which an option may be taken up. In relation to capital gains tax on options, the term is defined in Taxation of Capital Gains Act 1992 s144ZA and in subsequent sections.
exergue	Part of the reverse of a coin below the main design, where the date is often stated.
exes	Colloquial abbreviation for expenses.
ex facie absolute disposition	Form of charge on a company that may be registered in Scotland. It is addressed in Companies Act 2006 s881.
Ex G (Drawback) Regs	Excise Goods (Drawback) Regulations 1995.
ex gratia	Latin: as of favour. The term is used in such contexts as a payment made without admitting any legal liability to make it.
ex gratia payment	Payment which a person or business is not legally obliged to pay but does so from a sense of moral obligation. Such payments must be disclosed in the annual report.
exheredate	Disinherit, exclude from a will.
exhibition guarantee payment	Payment made to underwrite an exhibition. A trader may be able to claim it as a tax deduction under the normal "wholly and exclusively" rules. The matter was litigated in <i>Morley v Lawford and Co [1928] 14TC229</i> , and is discussed in the Inspector's Manual at BIM45305.
exhibits	Collectors' pieces and works of art of an educational, scientific or cultural character.

exhumation	For VAT, this is a standard-rated supply. It is not with the scope of the exemption for burial and cremation. Further details are given in VAT notice 701/32.
ex hypothesi	Latin: from the hypothesis, according to what is supposed.
ex improviso	Latin: unexpectedly.
existence, ownership and valuation (EOV)	The three traditional tests for an auditor checking assets on a balance sheet.
existing association	In relation to parliamentary constituencies, "means a local constituency association " whose area was the same, or substantially the same, as the area of a former parliamentary constituency or 2 or more such constituencies" (Taxation of Capital Gains Act 1992 s264(2)(a)).
existing award	In social security, a means-tested benefit for which a claim has already established entitlement. Such an award usually enjoys a limited amount of transitional protection when the rules for the benefit are changed.
existing director	In company law, "a person who is a director of the company immediately before [the accounts] meeting" (Companies Act 2006 s439(6)). All such directors have a duty to ensure that resolutions about directors' remuneration are put to shareholders at the accounts meeting.
existing goods	Goods for sale currently in the ownership or possession of the seller, unlike future goods which have yet to be acquired (Sale of Goods Act 1979 s5(1)).
existing HMRC concession	This term is defined in Finance Act 2008 s160(2).
existing shareholdings requirement	In relation to enterprise investment scheme, this term is defined in Income Tax Act 2007 s164A as inserted by Finance (No 2) Act 2015 Sch 5.
exit arrangement	How a person plans to leave a scheme or end an investment arrangement. An exit arrangement designed to sidestep tax consequences is one of the hallmarks of a tax planning scheme of which taxpayers are advised to be wary.
exit charge	Any fee payable when someone leaves an arrangement. In particular, the term applies to: <ul style="list-style-type: none">• VAT paid by the representative member of a VAT group when a company leaves the group;• charge made by a trust when selling units in a unit trust;• inheritance tax charge imposed on a discretionary trust, but not on an accumulation and maintenance trust.
exit date	In relation to share incentive plan , the date from which shares cease to be part of the plan (Income Tax (Earnings And Pensions) Act 2003 s506(1)).

exit day	The day the UK leaves the European Union. This is 19 March 2019 (at 11pm). The term is used in European Union (Withdrawal) Act 2018 s1.
exit event	Term used in relation to shares used in disguised remuneration (Income Tax (Earnings And Pensions) Act 2003 s554(6)).
exit interview	Interview with an employee who is leaving to understand the factors behind their leaving.
exit payee	In relation to payments to workers leaving the public sector, "is an employee or office holder to whom any qualifying exit payment is payable" (Small Business, Enterprise and Employment Act 2015 s154(6)).
exit payment	Payment made to an employee on leaving their job. For the public sector, there are regulations on the maximum payment under Small Business, Enterprise and Employment Act 2015 s154, as amended by Enterprise Act 2016.
exit P/E ratio	Price/earnings ratio of a company at the time it is taken over by another company.
exit strategy	Means by which an investor or proprietor of a business plans to sell his or her interest in the business. Tax is a significant factor in determining the strategy.
exit tax	Tax charge imposed when a company ceases to be UK resident. The charge is imposed under Taxation of Capital Gains Act 1992 s185. The EU has directed that this provision contravenes EU law in so far as it imposes a tax charge when a company relates from the UK to another EU state. This follows the European Court of Justice decision in the Dutch case <i>National Grid Indus BV v Inspecteur van de Belastingdienst Rijnmond (kantoor Rotterdam) C-371/10 [2010]</i> .
exit value	A method of valuing assets and liabilities based on selling prices, as an alternative to historical cost .
ex malefico non oritur contractus	Latin: a contract cannot arise out of an illegal act.
ex mero motu	Latin: of one's free will.
ex natura rei	Latin: from the nature of the case.
ex natura rerum	Latin: from the nature of things.
ex nihilo	Latin: out of nothing.
ex nudo pacto non oritur actio	Latin: no action arises from a nude contract .

This simply means that a contract cannot be enforced when there is no **consideration**.

ex-offender

Person who has been convicted of a criminal offence.

In general, it is not illegal to employ such a person unless they have been barred by the **Disclosure and Barring Service (DBS)**. Any employer who is registered with the DBS and who is prepared to employ ex-offenders must have a written policy which must be made available to relevant offenders.

ex officio

Latin: by virtue of his office.

The term is widely used when someone becomes a member of one body by nature of being a member of another body or of holding a particular office.

exoner

In Scots law, "to discharge from liability. Thus, a judicial factor may seek exoneration and discharge by the court" (Judiciary of Scotland website glossary).

exonomia

Study or collection of money-like objects, such as credit cards.

exor

Abbreviation of **executor**.

exorbitant

Going beyond the usual limits, particularly for a price that is significantly above a figure considered reasonable.

exotic meat

Term used in VAT notice 701/14 for the less common sources of meat for human consumption. These include the meat of horses, crocodiles and kangaroos. If prepared for human consumption, the meat may be zero-rated even though a supply of the living animal is not.

exotic warrant

Warrant with unusual or complex exercise terms. The opposite is a **vanilla instrument**.

expand

Grow larger, particularly in relation to size of organisations.

expansionary fiscal policy

Government tax policy which is designed to expand the economy.

expansionary monetary policy

Government monetary policy which is designed to expand the economy.

ex parte

Latin: for the party.

The term is used for a legal action brought on behalf of another party or in the absence of that party.

expat

Common colloquialism for an **expatriate**.

expatriate

Person from the UK living overseas permanently.

Such a person may escape a liability to UK income tax if non-resident for a year under Income Tax Act 2007 s828A or 828B, provided the various conditions are met.

From June 2010, expatriate employees must complete form P46(expat)

on arrival in the new country. This replaced form P85.

Expatriate Forum	Group comprising representatives of larger taxpayers and HMRC that meets to discuss issues relating to taxation of expatriates .
expectancy theory	In human resources, motivational theory that workers have a sense of pleasure on completing a demanding task, and are therefore more motivated at that time.
expectation	In statistics, average outcome if an event is repeated enough.
expectation of life	In insurance and pensions, the period of time which a person is expected to remain living.
expectation test	In relation to Bribery Act 2010, "the test of what is expected is a test of what a reasonable person in the United Kingdom would expect in relation to the performance or the type of function or activity concerned" (Bribery Act 2010 s5(1)).
expectations-augmented Phillips Curve	<p>Economic theory developed by Milton Friedman to try to explain the breakdown of the Phillips Curve in the 1970s.</p> <p>The main change is that he included people's price expectations. He said there would be a number of short-run Phillips Curves - one for each level of price-expectations. However, in the long-run there would be no trade-off between unemployment and inflation and any attempt to reduce unemployment to below its natural rate would simply be inflationary.</p>
expected birth	<p>Date a baby is expected to be born. This is usually stated by a doctor or midwife on a form MAT-B1.</p> <p>For some statutory maternity pay purposes, this date is used to determine entitlement, rather than the actual birth.</p>
expected credit loss (ECL)	Method of accounting for losses on loans under International Accounting Standard IFRS 9, which is effective for accounting periods that start on or after 1 January 2018.
expected pay-off	In statistics, the average outcome if a decision could be repeated enough times.
expected rate of return	In pensions, the rate of return expected over the remaining period that a pension is payable.
expected strength	For beer duty , the alcoholic content of beer that continues to ferment after the duty point (Customs notice 226). Duty is calculated according to expected strength.
expected value	Future value of actions. Such a value is usually calculated using probabilities and discounted cashflow .

expected value of perfect information (EVPI)

In statistics, the additional profit that would have been earned if the business had been able to predict the future accurately and correctly.

expected week of childbirth (EWC)

Week, starting on a Sunday, in which a child is expected to be born to an employee. The EWC determines when the **maternity pay period** may start and when the **qualifying week** is. These are needed to determine entitlement to **statutory maternity pay**.

Before 1996, EWC denoted "expected week of *confinement*", which had the same meaning.

expendable endowment

Rare form of endowment where the capital may be spent as well as the interest.

expenditure grant

Sum paid by central government to a local authority in respect of expenditure by the latter (Local Government Act 2003 s31).

expenditure

Amount of money spend by a person or business over a defined period.

In relation to charities, Income Tax Act 2007 s545 states that the term does not include investment, making loans or repaying loans.

expense

Cost of a business which relates to being in business rather than to the cost of the products or services supplied.

Income Tax (Trading And Other Income) Act 2005s27 states that an expenses refers to an item brought into account, and does not necessarily mean that any money has been paid.

expense account

(1) Allowance provided to a person to cover their incidental expenses, such as when an employer provides funds for a sales employee.
(2) In USA, the term also means a **memorandum account** to keep a record of all employee costs, including salary.

expense allowance

An allowance paid to a worker to cover expenses.

Such an arrangement is legal.

Such payment does not count towards the national minimum wage.

In general an expense allowance is taxed as gross earnings unless covered by a **dispensation** or similar arrangement. The employee may be able to claim tax relief for the expenses.

expense claim

Details of expenses provided by an employee to his employer for payment.

expense ratio

The ratio of an insurance company's operating expenses to its premiums.

expenses

Employment

Amounts spent on incurring liabilities, particularly those incurred by an employee doing his job.

Where an employer refunds the actual expense of an employee on a tax-deductible item, there is usually no taxable benefit to the employee. If an employer provides a round sum payment, such as an allowance, that amount

is usually taxable as gross pay, though it may be possible for the employee to claim tax relief on the underlying expenditure.

Accounting

In accounting, the term “encompasses losses as well as those expenses that arise in the course of ordinary activities of the entity” (FRS 102 section 2.26).

The term has traditionally been used to mean the overheads of a business rather than the direct costs of providing the goods or services provided.

At its simplest:

revenue – costs = gross profit

gross profit – expenses = net profit.

An entity must provide an **analysis of expenses** in its accounts (FRS 102 section 5.11).

Scots law

“The cost of proceedings that the court may order a successful party to recover from an unsuccessful party to proceedings” (Judiciary of Scotland website glossary).

expensive accommodation	Accommodation which cost more than £75,000. If an employee is provided with such accommodation, the employee may be liable to pay income tax on the additional yearly rent .
Experian	One of the UK's three credit reference agencies. The other two are Equifax and Creditcall. Experian was founded in 1996.
experience rating	In insurance, process of determining the premium rate for a group risk, wholly or partially on the basis of that group's claims experience to date.
experimental brewing	Brewing “solely for the purposes of research or experiments in the production of beer” (Customs notice 226). This requires notification to Customs, but does not require registration or payment of beer duty.
experimental design	Statistical sampling method which seeks to reduce the number of independent variables to as few as possible, preferably to one, to make measurement of the dependent variable as relevant as possible.
experimental fuel	“Means a substance of a description specified in regulations made by the Commissioners” (Hydrocarbon Oil Duties Act 1979 s20AB(2)).
experimental group	Group of people used for experimental design . They are often compared with a control group .
experimental psychology	Branch of behavioural and cognitive psychology which uses experimental methods to study relation to stimulus and response.
experimental realism	In psychology, extent to which participants in an experiment believe it to be real.

experimentum crucis	Latin: crucial test.
expert	Person who has recognised skill and knowledge in an area. For social security, the term “means a person appearing to the Secretary of State to have knowledge or experience which would be relevant in determining the question of fact requiring special expertise” (Social Security Act 1998 s11(3) and Social Security Contributions (Transfer of Functions, Etc.) Act 1999 s9(3)).
expert investor	Investor whose experience means that or she he is not entitled to the same legal protection as an ordinary consumer investor.
experto credo	Latin: believe one who has experience.
expert's report	Report produced by an expert for a particular purpose. An example is such a report produced for a merger of public companies (Companies Act 2006 s909).
experts seconded to European Union bodies	Such experts benefit from a tax exemption in Income Tax (Earnings And Pensions) Act 2003 s304A from 1 January 2011.
expert system	Software which applies an expert's knowledge in a particular area to assist in resolving problems.
expert witness	Skilled witness called to assist the court in a specialist area. The use of expert witnesses is governed by the Civil Rules Procedure 1998, Part 35. The issue of expert witnesses in tax matters has been considered in the excise duty case <i>M W Plant (Contracts) Ltd EDN/05/8007</i> and the income tax case <i>Liverpool Roman Catholics Archdiocesan Trustees Incorporated v Goldberg (No 2) Ch D [2001] 4 All ER 950</i> .
expiration	Process or date when something expires .
expire	Come to a predetermined end, such as when a lease finishes.
expiry date	Date by which an option or right must be exercised, failing which it becomes worthless.
expiscate	Scots law: find out by skilful means or strict examination.
exploding share	Share in a company that demerges and is replaced by shares in several companies. Consideration was given (and rejected) to issuing such shares on the privatisation of electricity companies.
exploitation	In terms of human trafficking, this term is defined in Modern Slavery Act 2015 s3.
exploration licence	“Means a licence under this section authorising the licensee to explore for mineral resources of a description specified in the licence in an area so

specified" (Deep Sea Mining (Temporary Provisions) Act 1981 s2(1) as amended by Deep Sea Mining Act 2014 Sch para 3(2)).

exploration or exploitation activities

For tax "means activities carried on in connection with the exploration or exploitation of so much of the seabed and subsoil and their natural resources as is situated in the United Kingdom or a **designated area**" (Income Tax (Earnings And Pensions) Act 2003 s41(2) and Finance Act 1973 s38(2)(a)).

The same definition appears in Corporation Tax Act 2010 s356L(4).

exploration or exploitation asset

For capital gains tax, means "an asset used in connection with exploration or exploitation activities carried on in the United Kingdom or a designated area" (Taxation of Capital Gains Act 1992 s25(6)).

exploration or exploitation rights

For tax, "means rights to assets to be produced by **exploration or exploitation activities** in or to the benefits of such assets" (Finance Act 1973 s38(2)(b)).

exploration work

For chargeable gains in oil industry, "means work carried out for the purpose of searching for oil anywhere in that area" (Taxation of Capital Gains Act 1992 s196(6)).

In relation to capital allowances for oil licences relating to undeveloped areas, "means work carried out for the purpose of searching for oil anywhere in that area" (Capital Allowances Act 2001 s553(6)).

explosives

"(1) Means gunpowder, nitro-glycerine, dynamite, gun-cotton, blasting powders, fulminate of mercury or of other metals, coloured fires, and every other substance, whether similar to those above-mentioned or not, used or manufactured with a view to produce a practical effect by explosion or a pyrotechnic effect; and (2) includes fog-signals, fireworks, fuzes, rockets, percussion caps, detonators, cartridges, ammunition of all descriptions, and every adaptation or preparation of an explosive as above defined. (Explosives Act 1875 s3).

Section 104 of the Act allows other items to be designated as explosives.

Customs may seize any explosives brought into the country, for which purpose the above definition is used.

The ban on exports is contained in Customs and Excise Management Act 1979 s75.

exponential

In mathematics, a rate of increase that is itself increasing.

exponential distribution

In statistics, a model that reflects constant growth over time. For example, if a customer on average must queue for 20 minutes, exponential distribution can establish that 22% of customers must queue for at least 30 minutes.

exponential function

In mathematics, quantity with a variable component expressed as a power, such as in:

$$y^n$$

In finance, such functions are most commonly encountered in

calculations of **compound interest**.

exponential moving average (EMA)

Form of **weighted moving average** but using geometric mean rather than arithmetic mean. It can be used to plot share prices, giving greater weight to more recent figures.

exponential smoothing

In statistics, a simple way of projecting a trend using historic data.

export

Process of sending goods to another country.

Since the **Single Market**, export means sending goods to a country outside the **European Union**. Goods moved to another member state within the EU are said to be "removed". The zero-rating of exports and removals is in Value Added Tax Act 1994 s30.

For goods to qualify as zero-rated for VAT as exports or removals, they must leave the UK for a non-UK customer. This includes a business sending goods to its own overseas branch. Such a supply must be supported by an invoice.

There must be evidence that the goods have been exported or removed. The evidence is set out in VAT Regulations SI 1995 No 2518 regs 128-155. Further information is given in VAT notices 703 (export) and 725 (single market). There have been several cases on the adequacy of export evidence. The **Teleos case** established that a supplier should not be unduly penalised for relying on seemingly legitimate proof of export that was later proved to be false. The implications of this case were set out by HMRC in Brief 61/07.

Although both exports and removals are zero-rated, the systems of zero-rating are different.

For removals to another EU state, the invoice must show the customer's VAT number in the member state. This invoice number has a suffix of two letters denoting the country.

exportation

Act of sending goods outside the EU.

export clearance

Facilities which allow goods to be exported.

In practice, this only applies to special bilateral arrangements which allow English authorities to clear being sent through the Channel Tunnel.

export controls

"In relation to any goods, the prohibition or regulation of their exportation from the United Kingdom or their shipment as stores" (Export Control Act 2002 s1(2)).

Export Credit Guarantee Department (ECGD)

British government department which provides insurance to businesses exporting goods against the risk of non-payment.

A company may be able to claim tax relief for payments to this body (Corporation Tax Act 2009 s91 and Income Tax (Trading and Other Income) Act 2005 s91).

export declaration	Declaration made in connection with the export of goods. Either a full or a simplified export declaration may be made.
export department	Part of a company which deals with sending goods overseas.
export house	Company which specialises in arranging export of goods.
export licence	Licence required for the export of certain goods, mainly military, para-military and dual use goods. The licence is issued by Department for Business, Innovation and Skills. The licence is required to any other state, even another member of the EU.
Export Reception List	For Customs purposes, a sequentially numbered computer produced list containing specified details of all export consignments which have been received and for which details have been recorded on the computer since the production of the previous list.
export refund	A payment made to exporters under Common Agricultural Policy (CAP) provisions on the export to non-European Union countries of certain goods originating in the European Union (EU), or in free circulation, where EU prices are above world prices.
export shop	An excise warehouse approved for the supply of excise goods to entitled passengers without payment of excise duty.
export taxes	Customs duty imposed from 1275 to dates in 19th century on wool and leather exported from London and 13 other ports. It was levied at so much per sack. It was known as the great custom . Strictly speaking customs duties can still be imposed on exports, though they are not.
exported tobacco products	Tobacco products which are manufactured in the UK and are exported to another EU Member State or to a third country, either directly or indirectly.
exporter	For customs purposes, this is considered to be the person on whose behalf the export declaration is made and who is the owner of the goods, or has a similar right of disposal over them at the time the declaration is accepted. Where the ownership, or a similar right of disposal over the goods, belongs to a person established outside the EU pursuant to the contract on which the export is based, the exporter is considered to be the contracting party established in the EU. A statutory definition is "in relation to goods for exportation or for use as stores, includes the shipper of the goods and any person performing in relation to an aircraft functions corresponding with those of a shipper" (Customs and Excise Management Act 1979 s1(1)).
ex post	After the event; the opposite of ex ante . The term is sometimes used to describe a budget prepared after the budgeted activity has finished.

ex post facto	Latin: by a subsequent act. In other words, retrospectively.
exposure	(1) Publicity given to a person or business. (2) Disclosure of sensitive information.
exposure draft (ED)	Draft of an accounting standard .
EXPP	Prefix for HMRC's tax manual on export procedures.
expressed need	Term used to describe a need highlighted by those who require it to be met, as against needs determined by those who meet it.
expressis verbis	Latin: in express terms.
express money transfer	A foreign currency payment to an individual or organisation delivered electronically to a bank. It takes around 2-5 days, depending on the currency and destination.
express term	Term stated in the contract , as against an implied term .
express trust	Trust that is specifically created by the settler , as against constructive trusts , resulting trusts and implied trusts . An express trust must have three certainties : <ul style="list-style-type: none">• certainty of words and intention• certainty of subject matter; and• certainty of beneficiaries.
express waiver	"When the holder of a bill [of exchange] at or after its maturity absolutely and unconditionally renounces his right against the acceptor" (Bills of Exchange Act 1882 s62(1)). In such a case, the bill is regarded as being discharged.
ex professo	Latin: avowedly.
expropriation	Compulsory taking of land by public authority.
ex propriis	Latin: from one's own resources.
ex proprio motu	Latin: of his own accord.
ex quocunque capite	Latin: from whatever source.
ex relatione	Latin: from a narrative or information. The term refers to evidence which is not first-hand, such as from a report written by another.
ex rights	When a share is offered for sale without the rights that attach to the share.
EXS	Exit summary declaration, for Customs duty purposes.

ex-spouse	For pensions, an individual to whom pension credit rights have been or are to be allocated following a pension sharing order, agreement or equivalent provision.
ex tacito	Latin: silently.
ex tempore	Latin: at the time.
extend	Prolong a period, such as allowing further time for something to happen.
extended coverage	Insurance that extends the period of an existing policy.
extended credit	Allowing a customer a longer time to pay.
extended entitlement regulations	These refer to the extension of the previous 15 hours of free childcare a week to working parents to 30 hours under Childcare Act 2016 s1.
extended family	Family that goes beyond a couple and children to include aunts, uncles, cousins, grandparents etc.
extended period	A period that has been allowed to proceed beyond its normal closing date.
extended protection in relation to a tied pub	This term is defined in Small Business, Enterprise and Employment Act 2015 s69(4).
extended sentence	In Scots law, "a sentence consisting of a custodial element (imprisonment or detention in a young offender's institution) and a period of supervision in the community on release" (Judiciary of Scotland website glossary).
extended warranty	Insurance policy sold with goods to extend the guarantee. This is usually subject to insurance premium tax at the higher rate.
extension	(1) Anything which has been extended, such as a warranty period or credit terms. (2) Addition to an existing building. (3) Number of a telephone connected to a central switchboard.
extension fare	Additional charge made to a user of public transport when the ticket or pass does not cover the whole fare, such as when the user travels in a zone not covered by the ticket or pass.
extension lead	Electrical cable with a plug at one end and equivalent socket at the other which may be used to extend the length of an existing cable.
extension period	(1) Any additional period allowed for a particular purpose. An example is Income Tax Act 2007 s318(3) in relation to a VCT-in-liquidation. (2) For child benefit, a period after a qualifying young person has finished full-time education or training and has yet to start full-time work (at least 24

hours a week). Benefit is paid for this period up to 20 weeks.

external account	Account held by a British bank for someone living outside the UK.
external audit	Audit conducted by an outside firm, as against an internal audit which is conducted by the organisation's own staff.
external auditor	Person who is not an employee of an organisation whose services are engaged to audit the accounts.
external benefits	Economic term for benefits which accrue to people outside an organisation by the actions of that organisation.
external border	The national frontiers between the EU and non-EU countries.
external confirmation	In auditing, confirmation of factual information received from a third party, such as a bank. The matter is addressed in International Standard on Auditing ISA 505.
external costs	Economic term for detriments suffered by people outside an organisation as a consequence of the actions of that organisation.
external debt	Money which a business or government has borrowed from outside its members or citizens.
external depreciation	"External depreciation arises from the operation of forces apart from the asset itself, eg obsolescence of plant and machinery" (Bookkeeping and Accounts, Spicer and Pegler).
external funds	Another term for external debt .
external growth	Growth by buying other businesses, rather than by organic growth .
external hard disk	Hard disk of a computer which is designed to be removed from that computer, or to be used outside it, so it can be used on other computers.
external investigation	Investigation by an overseas body into whether someone has obtained property by criminal activity (Proceeds of Crime Act 2002 s447(3)).
external investor	For the purposes of disguised investment management fees, this term is defined in Income Tax Act 2007 s809EZE as inserted by Finance Act 2015 s21.
externality	Effect on an individual or organisation because of the actions of another.
external liabilities	Money owed to people outside the organisation.
external lottery manager	Person who runs a lottery for an organisation for which he is not a member, officer or employee (Gambling Act 2005 s257).

externally provided worker (EPW)	In relation to research and development tax credits, means staff who are not employees. The term is defined in Corporation Tax Act 2009 s1128.
external reporting	Reporting financial information to those users with a valid claim to receive it, but who are not allowed access to the day-to-day records of the business.
external request	Request made by an overseas body under Proceeds of Crime Act 2002. (ibid s447(1)).
external solar shading	For capital allowances, this may qualify as a feature integral to a building (Capital Allowances Act 2001 s33A).
external trade	Trade with foreign countries.
external transit	<p>One of the transit procedures which Customs may apply to goods presented on importation.</p> <p>External transit allows the goods to move freely within the EU without being subject to any duties or Customs formalities until the goods reach their final destination.</p>
external users	Users of financial statements who have a valid interest but are not permitted access to the day-to-day records of the company.
extinction of debt	<p>When a sum is regarded as no longer owed.</p> <p>In accounting, this arises when payment is made, the debt is credited (such as on returned goods), the debt is written off or the debt is offset against a sum owed to the debtor.</p> <p>In tax, the term is particularly used for a debt for customs duty for which there are additional forms of extinction, such as reclassification of goods, and destruction of goods.</p>
extinguishment	Ending of a debt other than by payment.
extortion	Payment of extortion is not a deductible expense as it is a criminal payment .
ExTRA	Export/Transit Project.
extract	<p><i>Licensing</i></p> <p>A supplementary licence or certificate issued by a competent authority for part of the quantity authorised by an existing license or certificate.</p> <p><i>Scots law</i></p> <p>“A written instrument signed by a clerk of court containing a statement of a decree of order of the court and, if necessary, a warrant to charge the debtor and to execute all competent diligence against person or property” (Judiciary of Scotland website glossary).</p>
extract decree	In Scots law, another term for extract .

extraction rates	Amount of usable crop which is produced from the weight of material harvested. For some crops this is more commonly known as the yield .
extra dividend	Additional dividend paid by a company when profits are particularly high.
extra division	In Scots law, "a division of the Inner Court of Session other than the First or Second Division" (Judiciary of Scotland website glossary).
extradotal	Not forming part of the dowry .
extrajudicial	Not made in court.
extraordinary item	Most unusual non-trading transaction. "Extraordinary items are material items possessing a high degree of abnormality which arise from events or transactions that fall outside the ordinary activities of the reporting entity and which are not expected to recur" (FRS 102 section 5.10A).
extraordinary resolution	In company law, a resolution which requires a vote of at least 75%.
extraparochial	Beyond the boundaries of the parish.
extra pay day	For PAYE, "means the last day in a tax year on which a main relevant payment is due to be made to the employee if — (a) the employee's main relevant payments are made weekly or at greater intervals which results in the number of pay days varying from tax year to tax year (solely because of the number of days in a calendar year), and (b) the day falls in a short payment period (PAYE Regulations SI 2003 No 2682 reg 31(4)).
extra payment	For PAYE, additional payment made to an employee. The rules regarding the date on which PAYE is operated are given in PAYE regulations SI 2003 No 2682 reg 25.
extrapolation	In mathematics, determining a result from other results. An example is to calculate a number that is not in a table by reference to two numbers that are.
extra return	Additional return provided when an old security is replaced. The tax implications under the accrued income scheme are set out in Income Tax Act 2007 s649.
extra-statutory concession (ESC)	A relaxation from the strict interpretation of a tax law. An ESC is issued by HMRC under their general authority to manage taxes. HMRC will allow an ESC unless it is being used for tax avoidance.

extreme couponing	Practice of spending considerable time following up special offers and bulk buying to reduce household expenditure by a large amount.
extreme order book imbalance	When there is a massive difference between buy and sell orders on a market, such as in the flash crash of 6 May 2010.
extreme pornographic material	For the purposes of Internet access, this is defined in Digital Economy Act 2017 s22.
extreme unction	Anointing with oil of a person believed to be on the point of death. It is a sacrament in the Roman Catholic church, based on James 5:14 in the Bible.
extrinsic evidence	Evidence taken from outside sources to clarify a document. The term is used in Administration of Justice Act 1982 s21 in relation to establishing the testator's intentions in a will.
extrinsic value	Difference between an option's price and its intrinsic value. For example, if an option has a premium price of £8 and its intrinsic value is £5, its extrinsic value is £3. The extrinsic value usually declines as the expiration date approaches.
ex turpi causa non oritur actio	Latin: an action does not arise from a base cause.
ex ungue leonem	Latin: judge the lion from its claws.
ex utraque parte	Latin: on either side.
eye-picking	Colloquialism for the practice of early settlers to choose the best pieces of land first, particularly in Australia.
eye service	Old term that means the minimum service that a servant can get away with.
eye test	An employer may be required to provide free eye tests for employees that routinely use a computer screen. With effect from 6 April 2006, such a test is not a taxable benefit (Income Tax (Earnings And Pensions) Act 2003 s320A). Eye tests are a health benefit for which certain social security claimants may get assistance.
EYU	Earlier Year Update.
Eyre	Travelling judge from 12 th to 14 th centuries.
EZ	Enterprise zone.
EZA	Enterprise zone allowance.

