



Leach's Tax Dictionary

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F

F

Council tax

For council tax, the sixth band of property values, for these property values:

- in England, between £120,001 and £160,000 in 1993;
- in Wales, between £135,001 and £191,000 from 1 April 2005, and between £90,001 and £120,000 before;
- in Scotland, between £80,001 and £106,000 in 1993.

A band F property is subject to council tax at 13/9 of the rate for an average band D property.

National insurance

National insurance contribution letter for an employee who is a member of a contracted-out money purchase scheme. This letter became otiose from April 2012.

Vehicle excise duty

Rate band for vehicles with emissions between 141 and 150 gm/km.

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

The reason is that either there was no requirement to maintain a deductions working sheet or that it was impractical to report work done on the day.

Law reports

- (1) Federal Reporter, series of US law reports.
- (2) Fraser, series of Scottish law reports issued from 1898 to 1906.

Other meanings

- (1) Old Roman numeral for 40.
- (2) Degree of temperature on the Fahrenheit scale.
- (3) **CFI code** for a fully-paid share.
- (4) In **hexadecimal notation**, the number 15.
- (5) PAYE tax code used before 1993 to collect income tax at the highest rates.
- (6) In relation to overseas pensions, period of pre-6 April 2017 reckonable foreign service (Income Tax (Earnings and Pensions) Act 2003 s574A(6)(h) as

inserted by Finance Act 2017 Sch 3).

- f** Factor that may be used to calculate alcoholic strength for **beer duty**. The table is contained in Customs notice 226.
- F\$** Abbreviation: Fijian dollar.
- FA** Finance Act.
- FA 2016 amendments** In relation to disposals concerned with land, “means —
(a) the amendments made by sections 76, 77 and 80 of FA 2016 (corporation tax treatment of certain profits and gains realised from disposals concerned with land in the United Kingdom), or
(b) the amendments made by sections 78 and 79 of that Act (corresponding rules for income tax purposes)” (Finance (No 2) Act 2017 s39(2)).
- faber est quisque fortunae suae** Latin: every man is the fashioner of his own fortunes.
- Fabian tactics** Delaying tactics and masterly inaction as a means of winning a battle. The term comes from Quintus Fabius Maximus (?-203 BC). The term was also applied to US president George Washington (1732-1799).
- FABs** Flavoured alcoholic beverages, more commonly known as **alco-pops**.
- face amount** Another term for **face value**.
- face time** Time a manager or director spends talking directly to a worker.
- face value** Value of a bond, security, note, coin or other item as stated on the item.
The term is used when the item may attract another value, as in a security or a collectable coin.
- face-value vouchers** *Value added tax*
There are special VAT provisions set out in Value Added Tax Act 1994 Sch 10A.
Proceeds of crime
For civil recovery of personal assets, the term “means a voucher in physical form that represents a right to receive goods or services to the value of an amount stated on it” (Proceeds of Crime Act 2002 s303B(4)(c) as inserted by Criminal Finances Act 2017 s15).
- face validity** In human resources, making a decision on the appropriateness of a test or other assessment based on appearance rather than from objective criteria.
- facile princeps** Latin: first principles.
- facilitated customs arrangement** A proposed arrangement for collecting customs duties after the UK has left

the EU. It was proposed by prime minister Theresa May on 5 July 2018.

facilitator	Person trained to assist a group of people to reach a decision or goal by overseeing their discussion.
facility	In banking, limit on how much may be borrowed, such as on a credit card or overdraft.
facility fee	Charge made by a bank to a customer for providing an overdraft facility.
facility sustaining	Description of an activity which relates to the organisation as a whole and cannot be readily identified with any particular department or activity of that organisation.
facsimile	Exact copy, such as of a document.
facta, non verba	Latin: deeds, not words.
fact-finding	In management, process of determining facts about a matter as a preliminary to an investigation or similar consideration.
facto et animo	Latin: deed and mind. In tax, this term is commonly used to describe the necessary prerequisites to establish a domicile of choice . [The term is sometimes given as animo et facto.]
factor	<p><i>General use</i> A consideration in making a decision.</p> <p><i>Commerce</i> In commerce, a business which takes on an administrative function of an organisation, such as collecting its debts or selling its products. This is regulated by Factors Act 1889.</p> <p><i>Mathematics</i> In maths, a prime number which can be divided into another number. The factors of 30 are 2, 3, 5.</p>
factorage	Commission paid to a factor .
factor analysis	In statistics, process of simplifying complex problems into a manageable problem by consolidating many variables into one.
factor comparison	In human resources, a job comparison determined by identifying factors in each job and comparing them. Such a method may be used to determine pay rates.
factor cost	In economics, measure of value of goods at the point of delivery before taxes are added and any subsidies deducted.

factorial	<p>A series of multiplications of a positive number with all integers below down to 1.</p> <p>A factorial is indicated by an exclamation mark after the number, so 5! means factorial of 5, which is 5 x 4 x 3 x 2 x 1 which is 120. Factorials are used in some mathematical formulae.</p> <p>Factorials above 20 are usually shown in rounded form as a number multiplied by a power of 10. So 24! is shown as 620,448,402 × 10²³.</p>
factoring	<p>Process of selling debts at a discount to improve cashflow and save the cost of debt collecting.</p>
factors of production	<p>The factors of production are the resources that are necessary for production. They are usually classified into 4 different groups:</p> <ul style="list-style-type: none">• land - all natural resources (minerals and other raw materials)• labour - all human resources• capital - all man-made aids to production (machinery, equipment and so on)• enterprise - entrepreneurial ability <p>The rate of economic growth that an economy can manage will be affected by the quantity and the quality of the factors of production it has.</p>
factor weight	<p>In human resources, an element in job comparison which assigns a weighting to factors in different jobs to indicate their relative importance. This can be used in factor comparison to determine pay rates.</p>
factory	<p>Strictly, a place where items are manufactured, though now the term applies to any place of manual work, including assembly. It is an abbreviation of manufactory.</p> <p>Before 1850, the word meant a textile mill.</p> <p>A factory is specifically included in the definition of industrial building.</p> <p>The regulation of factories is by Factoris Act 1937 and Health and Safety at Work Act 1974.</p>
factory gate price	<p>Actual cost of manufacturing goods before profit is added.</p>
factory overhead	<p>Production overhead, such as the cost of heating a factory.</p>
factotum	<p>Person who does all sorts of work for an employer. The term comes from the Latin facere totum which means to do everything required.</p>
fact sheet	<p>Series of documents produced by HMRC. There are about a dozen, all prefixed FS. Each one explains an aspect of HMRC's policy in dealing with taxpayers.</p>
factum est	<p>Latin: it is done.</p>
facultative reinsurance	<p>A type of reinsurance in which the reinsurer can accept or reject any risk presented by an insurance company seeking reinsurance.</p>

Faculty of Advocates	Scottish body which appoints advocates, the Scottish equivalent to barristers.
FAE	Final Admitting Exam, of a professional body.
FAFTS	Financing-Arrangement-Funded Transfers to Shareholders (UK life assurance). The term is used in Income and Corporation Taxes Act 1988 s444AE.
fag	Young pupil required to serve an older pupil.
fag-end	Poor quality remains of an item. The term originally referred to the coarse edge of cloth. It does not derive from cigarettes.
Fagin	Person who trains thieves (from the character in <i>Oliver Twist</i> , a novel by Charles Dickens).
fagot	Property that is temporarily divided into small parcels and nominally transferred to people so that they meet the property requirement to vote.
FAIFA	Fiscal Assurance in the Freight Area.
failed PET	A potentially exempt transfer that did not exempt a gift from inheritance tax, usually because the transferor died within seven years of making the transfer.
fail to scan	Provision in an EPOS system when a barcode fails to scan properly. The system is overridden by the checkout operator typing in the code. Such a provision is a condition for being able to use EPOS systems for determining the store's VAT liability.
failing to disclose information	<p>In law, there is no general duty to disclose information except in defined circumstances, such as when required by a court or a tax return.</p> <p>In contract, there are some uberrime fidei contracts, such as insurance, where a person must disclose relevant information. Otherwise there is no duty to disclose in contract.</p> <p>For fraud, "a person is [guilty of fraud by failing to disclose] if he:</p> <ul style="list-style-type: none">(a) dishonestly fails to disclose to another person information which he is under a legal duty to disclose, and(b) intends, by failing to disclose the information:<ul style="list-style-type: none">(i) to make a gain for himself or another, or(ii) to cause loss to another or to expose another to a risk of loss" <p>(Fraud Act 2006 s3).</p>
failure to make return	A failure to make a tax return is a specific offence under tax law. For income tax and corporation tax, the offence is contained in Taxes Management Act 1970 s93.
failure to notify	For VAT, a failure to notify HMRC of registration was a specific offence under Value Added Tax 1994 s67. It was generally repealed from 1 April 2010 under Finance Act 2008 s123 and Sch 41 para 25(1).

- failure to prevent tax evasion** This is a new criminal offence from 30 September 2017 under Criminal Finances Act 2017 s45.
- fair** (1) Just, equitable. See **fairness**.
(2) An amusement comprising stalls and sideshows. Originally the term meant a market on the day of a Christian festival.
Profits from running fairs (or the rights to do so) are taxed as if it were a trade (Income Tax (Trading And Other Income) Act 2005s12).
- fair and square** Colloquialism that means honestly.
- Fair Credit Reporting Act 1969 (FRCA)**
A US law that requires employers to give details of what credit agencies they use when this is a determining factor in offering employment.
- fair dealing** Legal buying and selling of shares.
- fair estimate agreement** Basis which was used before 1 October 2004 to ensure that the **national minimum wage (NMW)** was paid for **output work**. It is now replaced by the system of **rated output work**.
- fair fuel stabiliser** Policy of adjusting the duty charged on road fuel in inverse ratio to its price as a means of evening out price fluctuations (June 2010 Red Book para 1.121 and 2.100).
- Fair Labor Standards Act (FLSA)**
US law passed by Congress in 1938. It sets basic standards of employment in USA such as a minimum age and overtime pay. The Act applies to most private and public sector employment though some employees are exempt.
- fair market value (FMV)** Price at which a transaction will be completed if made:
 - by a willing buyer and a willing seller
 - in an **arm's length transaction**
 - where each has reasonable knowledge of the relevant facts.For most accounting and tax purposes, FMV is not used in preference to **historic cost**. There are some exceptions for tax avoidance schemes.
- fairness** Acting in a proper, honest and even-handed manner.
Tax law generally is not bound by any concept of fairness, as tax is charged and administered according to the letter of the law. Fairness can become relevant in the administration of tax procedures.
In such context, judicial guidance has been given.

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“What does fairness require in the present case? My Lords, I think it unnecessary to refer by name or to quote from, any of the often-cited authorities in which the courts have explained what is essentially an intuitive judgment. They are far too well known. From them, I derive that

(1) where an Act of Parliament confers an administrative power there is a presumption that it will be exercised in a manner which is fair in all the

circumstances.

(2) The standards of fairness are not immutable. They may change with the passage of time, both in the general and in their application to decisions of a particular type.

(3) The principles of fairness are not to be applied by rote identically in every situation. What fairness demands is dependent on the context of the decision, and this is to be taken into account in all its aspects.

(4) An essential feature of this context is the statute which creates the discretion, as regards both its language and the shape of the legal and administrative system within which the decision is taken

(5) Fairness will very often require that a person who may be adversely affected by the decision will have an opportunity to make representations on his own behalf either before the decision is taken with a view to producing a favourable result; or after it is taken, with a view to procuring its modification; or both.

(6) Since the person affected usually cannot make worthwhile representations without knowing what factors may weigh against his interests fairness will very often require that he is informed of the gist of the case which he has to answer."

Lord Mustill in R v Secretary of State for the Home Office ex parte Doody [1994] IAC 531 at 560D.

fair presentation

Requirement for accounts as set out in FRS 102 Section 3.

fair price

Price which is acceptable to both buyer and seller.

fair representation

American term for the requirement for a trade union to act properly when representing an employee.

fairs exemption

The exemption for VAT place of supply rules, as set out in EC Directive 2006/112 article 53. This required that a VAT supply at a fair was to be treated as made in the country where the fair is held and not according to other place of supply rules. This provision has been superseded by new place of supply rules from 1 January 2011. The exemption was considered in the case *Finmeccanica Group Services SPA [2015] UKUT 378*.

Fair Tax Mark

"The Fair Tax Mark certification scheme was launched in February 2014 and seeks to encourage and recognise organisations that pay the right amount of corporation tax at the right time and in the right place. It's the only scheme of its kind in the UK, bridging the gap between corporate responsibility and the wider tax justice movement." (Fair Tax Mark website)

fair trade

Trading

System of selling goods from overseas where arrangements have been made to ensure that the original producers are fairly remunerated for their efforts and are not exploited.

Such goods are typically identified as fair trade products and sell for a higher price in shops. The term can be applied to any goods, but are most widely known for food products, particularly coffee, tea, bananas, sugar and chocolate.

There are several fair trade certifiers, of whom **Fairtrade International** is perhaps the best known.

Other meanings

Old euphemism for smuggling.

Fairtrade International

Non-profit, multi-stakeholder association involving 25 member and associate member organisations (labelling initiatives and producer networks), traders and external experts. The organization develops and reviews fair trade standards, assists producers in gaining and maintaining fair trade certification and capitalizing on market opportunities.

Fairtrade International is one of the two organisations which resulted from the January 2004 split of [Fairtrade Labelling Organizations International](#) into Fairtrade International, the standards-setting and producer support unit, and [FLO-CERT](#), which inspects and certifies producer organizations and audits traders.

Fairtrade Labelling Organization

Body established in 1997 to certify **fair trade** products for 18 European countries plus USA, Canada, Japan, Australia and New Zealand.

In 2004, it was split into two organisations: **Fairtrade International** and **FLO-Cert**.

fair value

Accounting

One of the two common **measurement bases** by which an item is recognised in the accounts. The other common (and probably more common) basis is **historical cost**.

“The amount for which an asset can be exchanged, a liability settled or an equity instrument granted could be exchanged, between knowledgeable willing parties in an **arm's length transaction**. In the absence of any specific guidance provided in the relevant section of the FRS, the guidance in paragraphs 11.27 to 11.32 shall be used in determining fair value” (FRS 102 glossary and section 2.34(b)).

In an earlier standard the term is defined as “the amount at which an asset or liability could be exchanged in an armed length's transaction between informed and willing parties, other than in a forced or liquidation sale” (FRS 7 para 2).

Futures contract

The theoretical price at which a futures contract should trade to be equivalent to the purchase price of the underlying instrument.

Insurance companies

In relation to taxation of insurance companies, “means the amount which would be obtained from an independent person purchasing them or, if the assets are money, its amount” (Income and Corporation Taxes Act 1988 s431(2)).

Loan relationship

For **loan relationship**, the term is defined in Corporation Tax Act 2009 s313.

Derivatives

“In relation to a derivative contract of a company, means the amount which, at the time as at which the value is to be determined, is the amount which the company would obtain from or, as the case may be, would have to pay to an independent person dealing at arm's length for —

- (a) the transfer of the company's rights under the contract, and
- (b) the release of all the company's liabilities under it”

(Corporation Tax Act 2009 s710).

fair value accounting For **loan relationships**, the term is defined in Corporation Tax Act 2009 s313.

fair value less costs to sell “The amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal” (FRS 102 glossary).

fair wear and tear The normal and acceptable small amounts of damage which an item receives from its proper use. In general, no claim may be made against someone for fair wear and tear.

fairy gold Old term for money that comes from nowhere, illusory riches.

fairy money Old term for found money. Its appropriation by the founder was justified by the superstition that it would otherwise turn to leaves.

fairy of the mine Imagined creature that operated mining equipment without achieving anything.

fait Latin: deed.

fait accompli French: accomplished act.
Something that has already happened or been decided and where further discussion serves no purpose.

faites vos jeux French: place your bets (particularly for **roulette**).

faithful representation In accounting, one of the five qualities required for accounts to have **reliability**. This in turn is one of the four requirements for **accounting information** required by **Statement of Principles**.
Faithful representation broadly requires financial statements to portray transactions in a way that reflects the commercial effect. This underpins such principles as **substance over form**.

fake Indian currency note (FICN) Illegal currency that was widely used in India soon after independence.

fake news Fabricated stories that are designed to look like genuine stories. The term gained currency from 2016. It has been alleged that fake news influenced the US presidential election and EU referendum, both in 2016.⁸

faldage	The historic right of a landlord to put a tenant's sheep in his field so that they can fertilise it.
Falkland Islands	British dependency comprising islands in the South Atlantic. Britain fought a war against Argentina in 1992 over sovereignty. The Falklands use British currency. The UK has a double taxation arrangement of 1997.
fall	American term for autumn.
fallacy	In logic and rhetoric, incorrect reasoning in an argument. The commonest examples are appeals to emotion or taking advantage of social status or position.
fallacy of accident	Coming to a false conclusion by failing to allow for exceptions. There is also a converse fallacy of accident .
fal-lals	Old term for ornaments of little value.
fallback position	Tax provision that applies when the usual tax provision cannot be used. An example relates to paying VAT on acquisitions from another EU member state. The normal provision is that the UK acquirer pays the tax. Should that not be possible, there is a fallback position that allows VAT to be charged in the state of supply.
fallen angels	Colloquialism for investments that once performed well but have since declined in value. [The term originally meant angels excluded from heaven. It later meant women who fell from virtue.]
fall in value relief	Relief from inheritance tax where assets lose value after being inherited. Within time limits the reduced value may be substituted for the inherited value under Inheritance Tax Act 1984 ss179 and 191. The time limit is four years for land (three years for deaths before 16 March 1990), and one year for quoted securities and other qualifying investments.
fallopia japonica	Latin name for Japanese knotweed for which there is a special landfill tax provision.
fallow	Description of land that has been ploughed but not sown.
fallow land	Land that is not currently being used for an agricultural purpose as a means of allowing the soil to recover for future agricultural use. Such land will usually qualify for agricultural property relief from inheritance tax under Inheritance Tax Act 1984 s117.
false	In fraud, a representation is false if "it is untrue or misleading, and the person making it knows that it is, or might be, untrue or misleading" (Fraud Act 2006 s2(2)).

false accounting	<p>Criminal offence of deliberately keeping wrong records.</p> <p>It is a criminal offence under Theft Act 1968 ss17-20. There are equivalent offences in company law.</p>
false information	<p>In relation to an identity document, means "information containing any inaccuracy or omission that results in a tendency to mislead" (Identity Documents Act 2010, now repealed s9(4)(a)).</p>
false information in connection with a chargeable Customs declaration	<p>This term is defined in Taxation (Cross-border Trade) Act 2018 s6(5).</p>
false representation	<p>This is an element of one of three types of fraud. A person commits this offence if he "dishonestly makes a false representation to make a gain for himself or another, or to cause a loss to another or to expose another to a risk of loss" (Fraud Act 2006 s2(1)).</p> <p>A representation is false if "it is untrue or misleading, and the person making it knows that it is, or might be, untrue or misleading" (ibid s2(2)).</p> <p>Representation means "any representation as to fact or law, including a representation as to the state of mind of:</p> <ul style="list-style-type: none">(a) the person making the representation, or(b) any other person". (ibid s2(3)). <p>The representation may be express or implied (ibid s2(4)).</p>
false statement	<p>Statement where someone states something as being true when he knows, or should know, that it is untrue.</p> <p>It is a criminal offence for a director to make a false statement in the directors' report, directors' remuneration report or summary financial statement (Companies Act 2006 s463(1)).</p>
falsi crimen	<p>Latin: crime of falsification, particularly forgery.</p>
Fam	<p>Family Division. This is part of the citation of a report of a court case heard in this division of the High Court.</p> <p>It is also the citation for a series of law reports for this division from 1972.</p>
Fam D	<p>Family Division. An alternative form of citation to Fam.</p>
families and friends	<p>Term used by HMRC for informal tax agents, such as where an individual is assisted by someone more knowledgeable in tax affairs than the taxpayer but who is not a tax professional.</p>
family	<p>For national insurance and social security purposes, "means —</p> <ul style="list-style-type: none">(a) a couple;(b) a couple and a member of the same household for whom one of them is or both of them are responsible and who is a child or a person of prescribed circumstances;(c) except in prescribed circumstances, a person who is not a member of a couple and a member of the same household for whom that person is responsible and who is a child or person of a prescribed description"

(Social Security Contributions and Benefits Act 1992 s137(1)).

family allowance clawback Before 6 April 1979, amount of tax allowances which could be reduced by an amount in respect of the amount of family allowance received.

Family and Childcare Trust Charity that promotes family-friendly policies. It was formed in January 2013 from the merger of the Daycare Trust and **Family and Parenting Institute**.

Family and Medical Leave Act (FMLA)

US law of 1993 which requires many employers to provide up to 12 weeks of unpaid leave to US employees within a 12-month period.

Family and Parenting Institute (FPI)

Charity that promotes family-friendly policies for families and children. In January 2013, it merged with the Daycare Trust and is now called the Family and Childcare Trust.

family borrowing Borrowing from a relative or friend on non-commercial terms.

family business Business which is largely controlled by more than one member of the same family.

family company Company where members of one family have significant shareholdings.

family entertainment centre "Premises (other than an adult gaming centre) wholly or mainly used for making gaming machines available for use" (Gambling Act 2005 s238).
A licensed family entertainment centre needs a licence from the **Gambling Commission**. An unlicensed family entertainment centre needs a permit from the local authority.

family entertainment centre gaming machine permit

Permit allowing a **Category D** gaming machine to be used at a family entertainment centre (Gambling Act 2005 s247).

family entertainment centre premises licence

Licence issued by a local authority which allows the holder to operate **Category C** and **Category D machines** (Gambling Act 2005 s172(2)).

family expenses

"Means expenses of a journey made by the trader's spouse or civil partner if the journey —

(a) is between a place in the United Kingdom and a place outside the United Kingdom where any of the trades is carried on, and

(b) is made in order to accompany the trader at the beginning of the period of absence or to visit the trader during that period or to return after a journey made for either purposes" (Income Tax (Trading and Other Income) Act 2005 s94(1)).

Such to further conditions, up to two such journeys in a tax year may be tax-deductible.

family foundation	In USA, a private foundation created to make charitable contributions on behalf of a particular family. The board is often limited to family members.
family-friendly	Description of a provision, particularly in employment, that is designed to help family life. Examples include flexible working for parents.
Family Friendly Report Card	Annual report produced by Family and Childcare Trust and its predecessors since 2010 on how well the UK is progressing towards a family-friendly society.
family income benefit	Benefit received under a family income policy .
family income policy	A form of term insurance. If the death of the insured occurs during the term an income will be paid from the date of death to the end of the term.
family investment company (FIC)	<p>A company (limited or unlimited) that makes investments for a family or other group of individuals. The shareholders' agreement reflects the wishes of its members. Typically each family member is given his or her own category of share.</p> <p>It is an alternative to a discretionary trust. It avoids lifetime inheritance tax when funds are placed in the company, and allows retained profits to be taxed at corporation tax rates (which are often lower than income tax).</p> <p>Its main disadvantage is that the profits attract corporation tax when earned and capital gains tax when realised by the family member. The aggregate of these taxes can exceed the income tax otherwise payable.</p> <p>The FIC can be effective depending on the nature of investments,</p>
family maintenance	<p>Usual terms for the arrangements set out in Inheritance Tax Act 1984 s11. Payments of maintenance are excluded from the scope of taxable dispositions.</p> <p>Family maintenance broadly comprises payments to maintain a former spouse or civil partner, payments to maintain or educate a child, or payments to look after a dependent relative.</p>
family mediation	"Family mediation is a process in which an impartial third person, the mediator, assists those involved in family breakdown, to communicate better with one another and reach their own agreed and informed decisions" (Family Mediators Association).
family planning	Provision of contraception and other arrangements that permit sexual activities without the risk of pregnancy.
Family Procedure Rules	Rules introduced for the Family Court from 3 April 2006 under Courts Act 2003 s75.
family tie	<p>One of the ties considered in the sufficient ties test as part of the statutory residence test.</p> <p>The tie is met if the taxpayer has a spouse, partner or under-18 child</p>

who is UK-resident.

family work

Work done for another member of the household.

There are two special provisions for family work.

There are some exemptions which allow young people to work in a family shop or family farm when they would not be allowed so to work for someone else.

In certain circumstances, family work is outside the scope of the **national minimum wage**.

famosus libellus

Latin: scandalous libel.

fancy fair

Old term for a public sale of goods for a charitable purpose.

fanner

Alternative name for a person to whom Customs farmed out the collection of Customs duties in 13th century.

Fannie Mae

The popular name for the **Federal National Mortgage Association (FNMA)**.

This American body was set up by the US government during the Depression in 1938. It became a stockholder-owned corporation in 1968. Its main purpose was to **securitise** mortgages and similar loans to maintain a steady supply of cash for home loans.

Fannie Mae, with Freddie Mac, were in effect renationalised on 7 September 2008. At that time, the two bodies owned or guaranteed about half the USA's \$12 trillion mortgage market.

Fanny Adams

Slang term meaning nothing at all.

Fanny Adams was a girl who was murdered c1812. The term was originally applied to tinned mutton.

fantasy league

Competition in which participants nominate an ideal sports team or similar. If they pay a stake and can win a prize, the competition may be subject to **pool betting duty**.

FAQ

Frequently Asked Questions.

FAR

Free asset ratio.

fare

Charge for travelling on a vehicle. The word originally meant the journey itself.

Far Eastern Prisoners of War Ex Gratia Scheme

Scheme established by the UK government to pay compensation to certain victims of the second world war. On 16 December 2015, it was announced that payments under this scheme are exempt from inheritance tax.

farleu

Duty of sixpence (2½p) paid to the lord of the manor of West Slapton in Devon.

farm

Land, buildings and other assets used for the trade of **farming**.

As there are many tax reliefs for farming (particularly **agricultural**

property relief for inheritance tax), it can be a matter of importance whether a property is a farm.

farmer, the

“In relation to a farming trade means the individual who (alone or in partnership) carries on that trade (Income Tax (Trading and Other Income) Act 2005 s225ZG).

farm gang

Group of people put together by a **gangmaster** to provide a collective service of harvesting to a farmer. It is still a common practice, but now subject to strict controls to prevent exploitation and other abuses.

farmhouse

A working farmhouse may be exempt from **annual tax on enveloped dwellings** (Finance Act 2013 s148).

A farmhouse usually qualifies for agricultural property relief from inheritance tax. Details are given in the Inspector's Manual at IHTM24051.

The house must be ancillary to the farm to qualify. In the case *Higginson's Executors v CIR [2002] SpC 337*, it was held on the facts of the case that the farm was ancillary to the house and so did not qualify.

farming

Trade

This is a trade for tax purposes, except where the farming is conducted other than as a trade (Income Tax (Trading And Other Income) Act 2005s9).

Similar principles apply to corporation tax (Corporation Tax Act 2009 s36).

Farming is regarded as a single trade, regardless of how many farms are owned and how far apart they may be.

Income tax

From 1803 to 1940, farming was subject to income tax under Schedule B in those years when income tax was charged.

Schedule B did not tax farming on its actual profits, but on a (usually much lower) figure based on one third of the gross annual value. This figure was doubled as a wartime measure from 1914 to 1922.

In 1941, farmers became assessed on their actual profits if their land had a gross value of £300. In 1942, that gross value was reduced to £100.

Farming is now treated wholly as a single trade, however many farms a taxpayer may have.

There are many special tax rules for farming. These include:

- averaging profits over two or five years
- restrictions on hobby farming
- the herd basis
- agricultural property relief.

Tax collection

Old method historically used to collect taxes by delegating the task to local people. It led to widespread corruption and was abolished.

Value added tax

There are special provisions set out in Value Added Tax Act 1994 s54.

VAT flat rate scheme

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

From	Percentage
4 January 2011	6.5%
1 January 2010	6%
1 December 2008	5.5%
1 January 2004	6%

EIS, VCTs and EMI

The definition of farming for these tax-advantaged schemes is given in Income Tax Act 2007 2007 s996 as amended by Finance (No 2) Act 2015 s28.

There are separate rates for **agricultural services, and forestry and fishing**.

Tax administration

Quite separate from agricultural considerations, the term farming referred to the old practice of delegating the collection of tax to local shopkeepers and business people. Excise duties were farmed until 1683. Some direct taxes were farmed into the 19th century.

farming company	The shares and any other securities of such a company may qualify for agricultural property relief from inheritance tax if the company's value can be attributed to the value of agricultural property (Inheritance Tax Act 1984 s122).
farming trade	"Means a trade of farming" (Income Tax (Trading and Other Income) Act 2005 s225ZG).
far month	Month of an option or futures contract that has the latest delivery date.
farm worker	For annual tax on enveloped dwellings, this is defined in Finance Act 2013 s149(1).
faro	This game is specifically listed in Betting and Gaming Duties Act 1981 s13(3) as coming within the scope of gaming licence duty .
faro bank	This game is specifically listed in Betting and Gaming Duties Act 1981 s13(3) as coming within the scope of gaming licence duty .
Faroe Islands	Island group that is a self-governing territory within the Danish realm. The UK has a double taxation convention of 2007.
farrier	Trade regulated by Farriers (Registration) Act 1975 as amended by Farriers (Registration) Act 2017.
farrowing crate	Metal cage in which sows can give birth. This qualifies as plant and machinery (at the higher rate) in the pig industry when used in connection with a slurry

system (HMRC Brief 03/2010 issued on 23 February 2010).

farthing

Coin equal in value to one quarter of an old penny, so there were 960 farthings to the pound. The term comes from "fourthing" as the original farthings consisted of a penny cut into four quarters.

The coin was made in silver from 1279 to 1553, and in copper or bronze from 1613 to 1956, apart from some farthings made in tin between 1684 and 1692.

The coin was demonetised on 31 December 1960.

FAS

- (1) Flexible Accounting System.
- (2) Family Advocacy Scheme.

FASB

Financial Accounting Standards Board

Faster Payments Service (FPS)

Facility provided by banks whereby money is transferred between accounts within hours rather than days.

HMRC can make and receive payments under FPS from 16 December 2012.

A company has met a tax deadline if funds have been transferred to HMRC's bank account by the due date, even if that is not a working day (*Fifields Mechanical and Electrical Services Ltd [2015] TC 4567*).

However, a business did not have reasonable excuse when payment by FPS was one day late (for a second time) when the business had not checked that the bank was participating in FPS and so payment was received the following day. (*ML Tiles Ltd [2017] TC 6106*).

fast-growing company

A company which grows quickly encounters many practical problems, such as ensuring its infrastructure remains adequate without becoming excessive. It can also have serious **cashflow** problems unless it is **cash-positive**. Such a company may be called a **unicorn**.

This term is also used in connection with **venture capital trusts**. From 16 June 1999, the strict investment criteria is relaxed for such companies in two respects:

- when shares in one company are exchanged in shares for another as a preliminary to a stock market flotation; and
- on exercising conversion rights.

fasti

Working days when the law courts were open in ancient Rome.

Fast Stream

Civil Service graduate development programme which offers talented graduates a quick path to leadership roles.

FAT

Financial activity tax.

FATCA

Foreign Accounting Tax Compliant Act, American law of 2010.

fat cat

Perjorative slang for people who are very well paid, particularly when they have a measure of control over their pay and are considered by others not to

be worth the payment.

FATF blacklist	Financial Action Task Force of Non-Cooperative Countries or Territories (NCCT).
fat finger	<p>Colloquial term for a serious typing error in a computer system.</p> <p>The term was coined in connection with an incident on the Tokyo Stock Exchange on 8 December 2005. A woman mistakenly sold 610,000 shares in J-Com for one yen, instead of selling one share for 610,000 yen.</p> <p>The company Mizuho was forced to buy back the shares for 40.7 billion yen, leading to the cancellation of all annual bonuses and the resignation of the president and managing director. It also led to the first lawsuit against the Tokyo Stock Exchange.</p>
fathom	<p>Unit of length, originally the width of a man's outstretched arms. It now means six feet or two yards or 72 inches.</p> <p>As a measure of timber, it means 216 cubic feet (same capacity as a cube where each side is six feet long).</p>
fat tax	<p>(1) Colloquialism for a proposed tax on foods considered unhealthy, such as burgers and chips. See also FAT.</p> <p>(2) Colloquial term coined in 2018 for the practice of some clothes retailers to charge more for larger sizes.</p>
fatua mulier	Legal term for a courtesan.
faute de mieux	French: for want of something better.
favourable	Description of a departure from a budgeted or forecast figure which is to the financial advantage of the business.
favourable trade balance	Situation where a country exports a greater value of goods and services than it imports.
favourable variance	Variance which is to the advantage of the business.
fax	<p>Document which is electronically transmitted by a telephone line using a fax machine.</p> <p>The word is an abbreviation of "facsimile".</p>
fax machine	Machine which allows documents to be transmitted down a telephone line provided both sender and receiver have such a machine.
Fax Service Replacement	In tax, a written document which confirms the appointment of an agent which has been provisionally agreed as a matter of urgency by sending a fax to HMRC.
FB	Foreign body. Common abbreviation for sick notes (HMRC leaflet E14).

FBSC	Finance Bill Sub-Committee. A body comprising MPs or Lords that looks at particular provisions of a Finance Bill.
FBu	Abbreviation: Burundi franc, currency of Burundi.
FC	Abbreviation: Congolese franc, currency of Democratic Republic of Congo.
FCA	(1) Fellow of the Institute of Chartered Accountants in England and Wales. (2) Financial Conduct Authority.
FCA Handbook	"Means the Handbook made by the Financial Conduct Authority under FISMA 2000" (Corporation Tax Act 2009 s133H(7)).
FCBA	Foreign currency bank account
FCCA	Fellow of the Association of Chartered Certified Accountants.
FCIE	Fellow of the Association of Charity Independent Examiners.
FCIM	Prefix for HMRC's tax manual on fraud civil investigation.
FCIPP	Fellow of the Chartered Institute of Payroll Professionals.
FCL	Full container load.
FCM	Futures commission merchant.
FCO	Foreign and Commonwealth Office, a UK Government department.
FCO advice	Advice by the Foreign Office that a country is to be avoided for the person's safety, such as when there is civil unrest. If a taxpayer returns and stays in the UK because of FCO advice, those days in the UK are generally not included in the reckoning of days in the UK for the purposes of the statutory residence test . This is subject to a 60-day limit. Days are included in the reckoning when the FCO advice is withdrawn.
FCP	Fonds Commun de Placement , a Luxembourg fund structure.
FCPE	Finance company partial exemption.
FCR	(1) Family Court Reports, a series of law reports published from 1987. (2) Federal Court Reports, a series of US law reports.
FCRA	Fair Credit Reporting Act 1969 , a US law.
FCSI	Fellow of the Chartered Institute for Securities and Investment.
FCTC	Framework Convention on Tobacco Control.

FCU	File Checking Unit (in police)
FDC	Fleur de coin , highest state of a collectable coin.
FDI	Foreign direct investment.
FDIC	Federal Deposit Insurance Corporation.
F-distribution	In statistics, a distribution of the ratio of two independent variables.
FDR	Family Dispute Resolution, alternative dispute resolution in family matters.
FE	Further education.
feal and divot	In Scotland, the right to cut turf or peat.
fealty	Historically, the vassal's obligation of loyalty to a feudal lord.
feasibility study	Study designed to establish whether a proposed course of action can justify the cost and other resources.
feasible region	In mathematics, the collection of all possible solutions from which the optimal solution is selected.
featherbedding	In USA, a practice whereby a trade union forces an employer to pay an employee for work that he or she has not done.
feather one's nest	Make oneself materially comfortable, usually by little effort.
February	Second month of the calendar year and eleventh month of the financial year. It has 29 days in a leap year , and 28 days in other years.
FEC	Licensed family entertainment centre.
fecit	Latin: he did it. A term added after a name to denote that that person created the work.
Fed	Common name for Federal Bank of USA. The term is also used for an agent of the FBI.
Fed discount rate	Rate of interest charged by the US Federal Reserve to the banks in return for collateral.
federal	Description of a system of governance where organisations or states are independent but where some functions are administered centrally. The USA is a federal government. In the USA, the term means referring to national government rather than state government.

- Federal agency security** In the USA, a security issued by a federal agency, which therefore has a low level of risk.
- Federal Deposit Insurance Corporation (FDIC)**
American body that acts as guarantor for funds deposited in members' banks.
- Federal Funds** Deposits by commercial banks with the **Federal Reserve Fund** of the USA.
- Federal gift tax** In the USA, a tax charged on gifts of money, securities or property.
- Federal Home Loan Mortgage Corporation (FHLMC)**
American body more commonly known as **Freddie Mac**.
- federal income tax** Tax charged in the USA by the Federal Government. Most states impose an additional state tax.
- Federal Insurance Contributions Act (FICA)**
American law that requires employers to withhold a portion of employees' earnings to fund pension and social security benefits. It is similar in aim to national insurance.
- Federal National Mortgage Association (FNMA)**
American body more commonly known as **Fannie Mae**.
- Federal Reserve Board** American federal body which controls the money supply, discount rate and issue of government bonds in the USA.
- federal sales tax** US tax charged by the federal government on certain sales. It was introduced in 2010 at the rate of 10% for indoor tanning services.
- federated fund drive** A centralised campaign in the USA whereby one organisation raises money for its member agencies. The United Way campaign and the Community Works are examples.
- federated trade union** "A trade union which consists wholly or mainly of constituent or affiliated organisations, or representatives of such organisations" described as trade unions (Trade Union and Labour Relations (Consolidation) Act 1992 s118).
- federation** An organisation to which other organisations can belong. A federation is typically a mutual interest and support organisation.
- Fédération des Experts Comptables Européens (FEE)**
French: Federation of European Accountants.
"An international non-profit organisation based in Brussels that represents 47 institutes of professional accountants and auditors from 36 European countries, including all 28 European Union (EU) member states" (FEE website June 2015).
The body changed its name to Accountancy Europe in December 2016.

Federation of Tax Administrators (FTA)

American body established in 1937 "to improve the quality of state tax administration by providing services to state tax authorities and administrators" (FTA website).

Fed Funds

Abbreviation of **Federal Funds**.

fed funds rate

Rate charged by banks for lending money deposited with the **Federal Reserve Board** to other banks.

Fedwire

In the USA, a network within the Federal Reserve system for electronic bank transfers.

FEE

Fédération des Experts Comptables Européens.

fee

Charge made for providing a specific service.

feedback

In human resources, positive or negative information provided to an individual or organisation with a view to improving their performance.

feedback control

In management accounting, comparison of output achieved and output projected with a view to taking any necessary corrective action.

fee-based adviser

Independent financial adviser who charges a fee for his or her services instead of receiving commission.

feeder fund

Fund that invests only in other funds.

feed forward control

In management accounting, a method of making projections of future output and quantifying those predictions in management accounting terms.

feed-in tariff (FIT)

Amount paid for microgeneration of electricity, such as when business or residential premises sell on surplus electricity produced from solar panels or wind turbines. It was established in April 2010.

feed of corn

Amount of oats or similar sufficient to sustain a horse during a journey.

fee-farm

Tenure where land is held in **fee simple**.

feel of the paper

One of the Bank of England's recommended methods for checking whether a bank note is forged. Bank notes are printed on a special paper produced by a secret process that gives it a unique feel.

fee-penny

Old term for a fine for being late with a payment.

FEES

Fees manual produced by the Financial Services Authority.

fee simple

Holding land in one's own name, free from conditions or limitation.

For VAT,

"(a) in relation to Scotland, means the interest of the owner;

(b) in relation to Northern Ireland, includes the estate of a person who holds land under a fee farm grant" (Value Added Tax 1994 s96(1)).

fee-spinning	Practice of drawing out legal or other proceedings for the sole or primary purpose of earning more fees.
fee-tail	Estate limited to a person and his heirs. It was abolished by Law of Property Act 1925.
fee wall	Limit of what work is covered by a contract. This term is particularly used in the software industry when additional specification is provided by a customer. It must be agreed which side of the fee wall such falls, as this determines whether the customer must make an additional payment.
fee work	Work done for which a fee is paid.
feints	Impure spirits that arise at the start and end of distillation of spirits. "Spirits conveyed into a feints receiver" (Customs notice 39). Normally feints are carried forward from one manufacturing period to another. If the distiller wishes to dispose of them, the procedure in Customs notice 39 must be followed. [Although the word is spelled with an E in Customs' literature, it may be spelled as "faints".]
felling directions	In Scotland, directions in relation to felling forest trees, as set out in Forestry and Land Management (Scotland) Act 2018 from s34.
felling permission	In Scotland, permission to fell a forest tree or trees, as set out in Forestry and Land Management (Scotland) Act 2018 from s25.
fellow	In a professional or academic body, a person who holds a senior qualification, above associates, licentiates and affiliates.
felon	Person who commits a felony .
felony	Serious crime, originally punishable by forfeiture of all property. The old distinction between felony and misdemeanour was abolished by Criminal Law Act 1967 s1. The term is still used in some other countries, particularly the USA.
felt need	Term used to describe social need by those who require it, as against those who seek to meet the need.
female servant tax	Excise duty charged between 1785 and 1792. This complemented the male servant tax introduced in 1777.
feme-covert	Married woman, a legal term derived from Old French.

feme sole	Legal term for a single woman, particularly one who carries on a trade herself.
feminine gender	“In any Act, unless the contrary intention appears — (a) words importing the masculine gender include the feminine; (b) words importing the feminine gender include the masculine” (Interpretation Act 1978 s6).
femto-	Prefix used in metric units. It means 10 ⁻¹⁵
fen	One hundredth of a yuan, currency of China.
fence	(1) Person who trades in stolen goods. The activity is illegal (Theft Act 1968) but taxable (<i>Partridge v Mallandine [1886] 2TC179</i>). The matter is discussed in the Inspectors' Manual at BIM22010. (2) In investing, American term for a collar .
Fenton	Someone who seeks to restore his fortune by marriage. The term comes from the character in Shakespeare's play <i>The Merry Wives of Windsor</i> .
feodum	Latin: fee.
feoff	Grant possession of land.
feoffee	Person invested with a feoff .
feoffment	Gift of a feoff .
feoffor	Person who grants a feoffment .
FERA	Food and Environment Research Agency.
ferae naturae	Latin: of savage nature. Legal term to describe animals that are wild rather than domesticated.
fermentation	Biochemical process of turning carbohydrates into alcohol. This is used to create beer, cider and wine. Such products then attract excise duty and other taxes.
ferret	General Domestic animal. It is widely used to go into rabbit holes to drive out rabbits for poachers. By extension, the term is used to mean to drive out information that is hiding in files. Customs A ferret may be imported into the UK under the Pet Passport Scheme without the need for quarantine. VAT on food A ferret is regarded as a pet and not as a working animal. Therefore its food is

not zero-rated for VAT (*Supreme Petfoods Ltd. TC 896 [2010]*).

ferry	Profits from running this are taxed as if it were a trade (Income Tax (Trading And Other Income) Act 2005s12).
fertiliser	The import of large consignments of fertiliser with a high ammonium nitrate content may need either an Exemption Certificate or a Detonation Resistance Test Certificate as a condition of obtaining Customs clearance.
FES	Front end scanning, Companies House term.
fest	Old term for a pledge.
festina lente	Latin: make haste slowly.
fetal protection policy	American term for the legal requirement to ensure that a pregnant woman is not exposed to hazardous materials.
feu	Old form of land tenure where the vassal who occupied the land pays money or grain in lieu of providing military service.
feuar	Someone who holds land in consideration of paying feu-duty .
feudal	Relating to an arrangement whereby land is held on the basis of providing service to its owner.
feudal taxes	Early taxes that were charged from about 200AD to the 11th century, often arbitrarily. They were complemented with Saxon levies, Norman dues and payments to the church. They were largely replaced from the Conquest of 1066. The king extracted a share of the feudal taxes.
feudatory	Relating to the holding of lands under a feudal system.
feu-duty	Piece of land held in feu .
fey	Description of someone who changes his or her lifestyle in expectation of imminent death, such as a miser becoming generous.
ff	Following. This is commonly used for page numbers, so page 47ff means pages from page 47.
f & f	Fixtures and fittings.
FFI	Foreign financial institution , American term.
Fgas	Fluorinated greenhouse gases.
FHDDS	Fulfilment House Due Diligence Scheme.

FHL	Furnished holiday lettings.
FHLMC	Federal Home Loan Mortgage Corporation , more commonly known as Freddie Mac .
FHTP	Forum on Harmful Tax Practices, an international forum backed by OECD and G20.
FI	(1) Country prefix code for Finland. (2) Financial intermediary. (3) Financial institution. (4) Financial instrument.
FIA	Futures Industry Association.
fiacre	French style of cab or hackney carriage, named after the French station from which they first operated in 1650.
fiancé	Man to whom a woman is engaged to be married. The equivalent term for a woman is fiancée.
Finna Fail	Irish republican political party.
fiars	Prices for grain legally agreed at the Fiars Court.
fiat	Latin: let it be done. The term means an order from a monarch, judge or similar that requires obedience and does not permit questioning.
fiat justitia	Latin: let justice be done.
fiat justitia, ruat coelum	Latin: let justice be done, though the heavens fall.
fiat money	Banknotes and coins which have an intrinsic value below their face value, but which are accepted at face value because of government support for the currency. Almost all currency is now fiat money. The difference between the face value and intrinsic value is seigniorage , which is a form of tax. For example a Bank of England banknote may cost a few pence to produce but have a face value expressed in pounds.
Fibonacci ratio	Ratio of two consecutive numbers in the Fibonacci sequence . The ratios settle down to around 1.618034.
Fibonacci sequence	In mathematics, a series of numbers where one is the sum of the previous two. So the series starts 1, 1, 2, 3, 5, 8, 13, 21, 34, 55, 89, 144 etc. The sequence is found in nature, and has been used in several algorithms and computer programs. The sequence is named after the Italian mathematician who discovered it in 1202.

FICA	Federal Insurance Contributions Act , of USA.
FICC	Fixed Income, Currency and Commodities, a financial market.
fiche	Card or strip of film containing many data in very small print that requires magnification to read.
FICN	Fake Indian currency note.
FICO score	<p>Most widely used form of credit scoring used in the USA, and used by the main credit reference agencies.</p> <p>It typically considers a person creditworthiness under these elements:</p> <ul style="list-style-type: none">• 35%: payment history• 30%: use of credit• 15%: length of credit history• 10%: types of credit used• 10%: recent searches for credit. <p>The score is given out of 1000, usually in the range of 300 to 850. The median score is 723. About 60% are in the range 650 to 799.</p> <p>A sub-prime mortgage is one given to someone with a FICO score below 620.</p>
fictio legis non operatur damnum vel injuriam	Latin: a legal fiction does not work loss or injustice.
fictitious asset	<p>Debit balance which arises from a double entry from spending, but where the debit balance does not represent the value of an asset. Examples include deferred expenditure, such as development or advertising costs for a product not yet available.</p> <p>The term is now little used as there are strict rules which generally require all spending to be treated as expenses in the profit and loss account, unless it meets strict conditions which allow the spending to be capitalised in the balance sheet. As such, the spending becomes an intangible asset, which is a form of fixed asset.</p>
fictitious trading	Activity that represents no substantive transactions and is designed to create an impression of busy trading.
FID	<p>(1) Foreign income dividend.</p> <p>(2) Foreign income distribution.</p>
fiddle	Colloquial term for any improper financial adjustment, particularly to a person's advantage.
fiddler's fare	Old colloquialism for meat, drink and money.
fiddler's money	Fee paid to a fiddler at a wake, originally it was a silver penny.
fide et amore	Latin: by faith and love.

fide et fiducia	Latin: by faith and confidence.
fide et fortitudine	Latin: by faith and fortitude.
fide et justitia	Latin: by faith and justice.
Fidei Defensor	Latin: Defender of the Faith. This inscription, or an abbreviation of it, appears on many British coins.
fidelity	Faithfulness and loyalty. This is an implied condition in every contract of employment.
fidelity insurance	Insurance against misappropriation of a body's funds by an officer of that body.
fide non armis	Latin: by faith, not arms.
fide, sed cui vide	Latin: trust, but take care in whom.
fiduciary	Description of a relationship based on trust.
fiduciary deposits	Fund which a bank manages on behalf of its customer.
fiduciary estate	Estate or similar interest in land or other assets, as against the beneficial interest.
fiduciary relationship	Relationship based on trust, such as accountant and client. There are special rules regarding contracts. Trusts are fiduciary relationships.
field	<p>General definitions</p> <p>(1) Area of land enclosed for a purpose, such as farming.</p> <p>(2) General area of activity, particularly one of expertise as in "the field of medicine".</p> <p>Gambling</p> <p>Collective term for horses (or similar) entered in a race.</p> <p>Computing</p> <p>Set of characters comprising a unit of information.</p> <p>Coins</p> <p>Part of the coin between the main design and the inscription or edge.</p>
field allowance	Additional pay to officers engaged in a field of battle.
field day	Very successful day. The term comes from the military where it meant a day allocated to field exercises.

field engineer	<p>In marketing, sales person who has particular skill in the technical side of the product and can therefore help make sales to technical buyers.</p> <p>A field engineer may not have the other skills to sell to other buying influences, such as in cost-justification and regulation compliance. In many cases, a field engineer is a part of the sales team, but not the whole team.</p>
field hand	<p>Farm labourer who works outdoors.</p>
field interview	<p>In human resources, an interview conducted away from the workplace.</p>
field notes	<p>Jottings and similar brief notes made at a place with a view to be written up into a more readable form later.</p>
field officer	<p>Military term for ranks above captain but below general.</p>
field trial	<p>Trial of a product, idea etc in real life rather in a laboratory or other artificial conditions.</p>
fieri facias	<p>Latin: cause to be made.</p> <p>The term is applied to a writ directing a sheriff to seize goods to pay a debt.</p>
fieri feci	<p>Statement by a sheriff that he or she has been unable to seize goods as required by a writ of fieri facias.</p>
fi fa	<p>Abbreviation of fieri facias.</p>
FIFO	<p>First in, first out.</p> <p>In accounting, this is the usual method of stock valuation. It assumes that the oldest item of stock is sold before identical items purchased later.</p>
Fifth Amendment	<p>This usually refers to the fifth amendment to the US constitution which states that no person "shall be compelled in any criminal case to be a witness against himself".</p>
fifty pence coin	<p>Coin that was introduced on 14 October 1969 as a replacement for the ten-shilling note. It has seven curved sides. In 1997 its size was reduced to 27mm. The original larger coin was demonetised on 28 February 1998.</p>
fifty pound note	<p>Highest value bank note currently issued by the Bank of England.</p> <p>The current note is the Series E note first issued on 20 April 1994 and depicting Sir John Houblon.</p> <p>The previous Series D note was issued on 20 March 1981 and withdrawn on 20 September 1996. It depicted Christopher Wren, the architect.</p> <p>Previous "white" £50 notes were withdrawn as legal tender on 31 May 1979.</p> <p>Current £50 notes have a symbol of a red triangle to assist those with poor sight.</p>

fighting fund	<p>Some of money put aside to contest an issue.</p> <p>Many promoters of tax avoidance schemes set aside a fighting fund to pay for any legal action with HMRC.</p>
fighting the tiger	<p>Old American slang for gambling.</p>
fig-leaf	<p>Metaphor for anything small that attempts to conceal something, usually unsuccessfully.</p> <p>The term comes from the traditional account of Adam and Eve using a leaf to conceal their nakedness (Genesis 3:7, The Bible).</p>
figure	<p>Its many meanings include a character denoting a number.</p>
FII	<p>Franked investment income.</p>
FII Group Litigation	<p>Long-running litigation started in 2004. UK companies were not allowed to claim tax relief on dividends from non-resident subsidiaries on the same basis as for resident subsidiaries. The companies argued that this was contrary to EU law.</p> <p>The taxpayers kept winning even though the government passed Finance Act 2004 s320 and Finance Act 2007 s107 to disapply Limitation Act 1980 s32(1)(c) to frustrate the claims by retrospectively imposing time limits. The case has been to the European Court three times.</p>
FIIT	<p>Fellow of the Institute of Indirect Taxation.</p>
Fiji	<p>Nation of islands in Pacific Ocean. Its currency is the Fijian dollar of 100 cents. The UK has a double taxation convention of 1975.</p>
filacer	<p>Old term for an officer who filed writs.</p>
filch	<p>Steal or purloin.</p> <p>This was originally 16th century slang from a filch, which was a pole for picking up items from hedges or shop counters.</p>
file	<p>(1) Means of storing documents, either of paper or in computer form.</p> <p>(2) As a verb, submit, such as submitting accounts or tax returns to the appropriate authority.</p> <p>(3) In computing and business management, a collection of data.</p>
file access notice	<p>Notice that HMRC would have been able to serve on a tax agent on whom a dishonest conduct notice has been served, and where any appeal against the notice has been dismissed. These proposals are contained in a consultation document on dishonest tax agents, issued in July 2011.</p> <p>The file access notice would allow HMRC access to the agent's working papers. The proposal has been abandoned.</p>
file sharing	<p>In computing, any arrangement that allows documents to be accessed by more than one user. For this purpose a document can be text, software,</p>

music, video or any other form capable of digital representation.

file wrapper	In computing, part of a website that gives access to all documents relating to a particular subject area.
FILEX	Fellow of the Institute of Legal Executives.
filial	Pertaining to a son or daughter.
filing date	<p>Date by which documents must be filed.</p> <p>The term is particularly used for annual reports and tax returns.</p> <p>In Scotland, it is specifically defined as “the date by which that return requires to be made by or under any enactment” (Revenue Scotland and Tax Powers Act 2014 s82).</p>
filing obligations	In company law, the obligation to file accounts by a stated date. These obligations are set out in Companies Act 2006 s445. Provisions relating to their enforcement are set out in Companies Act 2006 s1113.
filing system	<p>(1) Way of storing documents so they may be easily retrieved.</p> <p>(2) For the purposes of data protection, “means any structured set of personal data which is accessible according to specific criteria, whether held by automated means or manually and whether centralised, decentralised or dispersed on a functional or geographical basis” (Data Protection Act 2018 s3(7)).</p>
Filipino	Native of the Philippine Islands.
filius nullius	<p>Latin: son of nobody.</p> <p>A child whose father is not known.</p>
filius populi	Latin: son of the people.
filius terrae	<p>Latin: son of the earth.</p> <p>Person of humble birth.</p>
filler	One hundredth of a forint, currency of Hungary.
filling station	Place by the roadside where petrol and other road fuel may be purchased.
fill or kill (FOK)	Type of order given to a broker to buy a specific number of identified shares at a stated price. If this order cannot be followed exactly, it is killed and no shares are bought.
film	<p>“Any record, however made, of a sequence of moving virtual images that is capable of being used as a means of showing that sequence as a moving picture” (Films Act 1985 Sch 1 para 1(1)). This definition is relevant for tax provisions relating to films.</p> <p>For the purposes of the special tax reliefs for film production, the term “includes any record, however made, of a sequence of visual images that is</p>

capable of being used as a means of showing that sequence as a moving picture" (Corporation Tax Act 2009 s1181(2)).

Expenditure on films is excluded from some provisions relating to a degrouping charge (Corporation Tax Act 2009 s808).

Special relief for costs incurred in making films has been allowed since 1 July 2005. The scope of the relief has changed several times since. This relief has been both properly used to fund British films and improperly in several artificial tax avoidance schemes.

The film relief replaces previous reliefs given from 1982 and 1997.

Between 1957 and 1985, films were subject to a form of tax known as the **Eady levy**.

film losses

Corporation tax provisions are set out in Corporation Tax Act 2009 from s1208.

film-making activities

For the purposes of corporation tax relief on film production, this term is defined in Corporation Tax Act 2009 s1183.

film partnership

A trading partnership engaged in the production of films.

The tax provisions are set out in Income Tax Act 2007 s400.

film production

VAT flat rate scheme

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

From	Percentage
4 January 2011	13%
1 January 2010	11.5%
1 December 2008	9.5%
1 January 2004	10.5%

Corporation tax

Film production qualifies for special relief from corporation tax, as set out in Corporation Tax Act 2009 from s1180.

film production company

For the purposes of corporation tax relief on film production, this term is defined in Corporation Tax Act 2009 s1182.

film-related losses

In relation to the sale of occupation income, this term is given a specific meaning in Income Tax Act 2007 s800(2).

film series

For the purposes of corporation tax relief for film production, each film in a series is treated as a separate film "unless —

(a) the films form a series with not more than 26 parts,

(b) the combined playing time is not more than 26 hours, and

(c) the series constitutes a self-contained work or is a series of

documentaries with a common theme,

in which case the films are treated as a single film"

(Corporation Tax Act 2009 s1181(3)).

film tax relief	Relief given for corporation tax in respect of certain film-making activities. The provisions are set out in Corporation Tax Act 2009 from s1195.
fil	One hundredth of a riyal, currency of Yemen.
filter	In computing, software designed to prevent the computer accepting undesired material. Filters are commonly used to block spam . Filters can also be set to block specific websites or sites that conform to predetermined criteria.
filthy lucre	Slang for money.
FIMBRA	Financial Intermediaries Managers and Brokers Regulatory Association, a self-regulating body that existed until 1994.
finable	Liable to a fine .
finagle	Wangle, obtain by guile or cheating.
final 10-week period	In the European Union Referendum , the period of 10 weeks ending on the day of the referendum (European Referendum Act 2015 s7(3)). Information about the referendum must be published before this period.
final accounting period	In relation to beneficiaries' income from an estate in administration, "means the accounting period in which the administration period ends" (Corporation Tax Act 2009 s938(3)).
final accounts	The accounts produced at the end of the year and which are no longer in draft form.
Final Admitting Exam (FAE)	The last examination required by the Institute of Chartered Accountants in England and Wales before admitting a person as a chartered accountant.
final and conclusive	Term used in Income Tax Act 2007 s31 to describe a tax return on which there are no queries.
final certificate	In relation to provisional entitlement to film loss relief, the term is defined in Corporation Tax Act 2009 s1212(1).
final chargeable period	The period in which a trade is permanently discontinued. The provisions for capital allowances are given in Capital Allowances Act 2001 s65.
final charging order	Charging order which is no longer interim.
final closing date	Last date for acceptance of a takeover bid. On this date, the bidder must state how many acceptances he has from shareholders.
final deadline	In relation to the remittance basis, this term is given a specific meaning for exempt property relief in Income Tax Act 2007 s809YA(6).

final demand	Last notice sent to a debtor before commencing legal action.
final designation	Notice issued by the Treasury to a suspected terrorist under Terrorist Asset-Freezing etc Act 2010. It lasts for one year at a time.
final discharge	Last payment of a debt.
final dividend	Dividend payable on basis of the whole year's accounts. The company may have paid an interim dividend based on the same year's accounts.
final earnings	Amount a person is earning at the end of the career and on which is used for a final salary scheme for pensions. There are rules for calculating this figure, which may give a figure different from a person's final salary figure.
final exercise date	Term used in relation to disguised remuneration (Income Tax (Earnings And Pensions) Act 2003 s554L1(14)).
final gravity	For beer duty, another name for present gravity .
final instalment of wages	The last pay day of an employee. The term is used in Employment Rights Act 1996 s22 with regards to retail workers. Such workers may have deductions made from their pay for a cash shortage or stock deficiency incurred while they were working. This is limited to 10% of gross earnings except for the last pay day.
finalisation	Status of an entry or submission after which no further amendment can be made.
finally determined	In relation to Scottish tax appeals, this term is specifically defined in Revenue Scotland and Tax Powers Act 2014 s90(3).
final notice	Any document issued before further action is taken, particularly a last notice sent to a debtor before the creditor starts legal action to recover a sum due.
final order	In insolvency, a court order allowing an administration order to be made.
final period relief	Period of absence at the end of ownership of a main residence that may be ignored for claiming main residence relief from capital gains tax.
final place of destination	For air passenger duty, this is as indicated on the ticket (Finance Act 1994 s43(2)).
final right to reject	Right given to consumers under Consumer Rights Act 2015 s24.
final salary	Amount a person was earning in employment just before they retired. It is used to calculate pension entitlement in a final salary scheme .
final salary scheme	Definition Occupational pension scheme where the pension is based on the employee's

“final salary”. It is also known as a **defined benefit scheme**.

The amount of pension payable is a fraction of a “final salary” figure. Such schemes often provide **death in service benefit** and **surviving partner pensions**. The exact terms of the scheme are set out in the scheme rules.

Length of service

The fraction depends on length of service, usually calculated as one sixtieth or eightieth per year of service. So if someone in a sixtieths scheme retires after 20 years' service, they will receive a pension of 20/60 of their final salary, which is one third.

From 13 March 1989, tax law allows a rate no higher than one sixtieth for service of up to five years and these fractions thereafter:

Years service	Maximum fraction
6	8/60
7	16/60
8	24/60
9	32/60
10	2/3

Legal limits

Tax law also requires that the scheme must not offer benefits no greater than:

- a pension of two-thirds final salary;
- a surviving partner pension of no more than two-thirds of the member's salary (ie four-ninths of final salary);
- a tax-free lump sum no greater than 1½ times “final salary”;
- death in service benefit of four times salary.

Definition of final salary

“Final salary” is defined as the better of:

- the average of the last five years' salary; and
- the average of the best three years out of the last ten.

Salary includes everything which is taxable as **employment income**. So it can include commissions, bonuses and overtime as well as the cash value of benefits such as company cars and private medical insurance.

final settlement

Last payment which clears a debt, whether or not all the payments equal that debt.

Final Supplementary Declaration (FSD)

Customs document for summary declaration stating how many supplementary declarations should have been made in the month and how many have been sent. It must be sent once, at the end of the month.

final tax year

Tax year in which a trade permanently ceases (Income Tax Act 2007 s89(1)).

The basis period for such a year is determined in accordance with Income Tax (Trading and Other Income) Act 2005 s202(1).

There are special provisions for loss relief, including a right to claim

terminal loss relief.

final withholding tax

From 2013, an amount deducted by Swiss banks on payments to UK taxpayers under an agreement between the UK and Swiss authorities made in 2011.

The rates are 40% for dividend income, 48% for other income, and 27% from capital gains. These are marginally below the UK rates to reflect the fact that the tax is paid in advance.

A UK taxpayer who wishes to avoid this tax may authorise the Swiss banks to disclose details to HRMC.

Finance Act

Annual Act of parliament amending tax law.

Finance Bill

Draft law setting out the provisions of the **Budget** speech. It eventually becomes a **Finance Act**.

Since 1861 it has been the practice to include all the year's tax changes in a single Bill. Previously, each tax was the subject of a separate Bill. In 1860 the House of Lords rejected the Paper Duty Repeal Bill, so all the financial measures, including that one were put into a single Bill for the Lord to accept or reject in whole. Although this constitutional arrangement passed with the Parliament Act 1911, the practice continues.

finance charge

Total amount borne by the lessee during the course of a lease above the cost of the underlying asset.

finance company

Company providing money, especially for hire-purchase transactions.

finance company partial exemption (FCPE)

Provision in proposed new regime for taxing **controlled foreign companies**.

The proposal is that such a company pays UK corporation tax on one quarter of its profits.

finance controller

An accountant whose task is to manage the company's monetary resources.

finance costs

"The difference between the net proceeds of an instrument and the total amount of the payments (or other transfers of economic benefits) that the issuer may be required to make in respect of the instrument" (FRS 4 para 8).

finance house

Company whose main purpose is to provide loans, including hire purchase, to individuals and businesses.

finance lease

Tax

For tax purposes, a distinction is made between a **short lease** and a **long funded lease**.

A finance lease "means any arrangements —

(a) which provide for plant or machinery to be leased or otherwise made available by a person (the lessor) to another person (the lessee), and

(b) which under generally accepted accounting practice —

(i) fall (or would fall) to be treated in the accounts of the lessor or a person connected with the lessor, as a finance lease or a loan, or

(ii) are comprised in arrangements which fall (or would fall) to be

so treated" (Capital Allowances Act 2001 s219(1)).

An effectively identical definition appears in relation to decommissioning expenditure in Corporation Tax Act 2010 s331(6).

For an anti-avoidance provision the term "means a lease which, in accordance with generally accepted accounting principles, falls (or would fall) to be treated as a finance lease or loan in the accounts of C [company] or P [purchaser]" (Capital Allowances Act 2001 s212L(7)).

Accounting

Lease which has the nature of funding the acquisition of an asset rather than an arrangement which simply lends the asset, known as an **operating lease**.

The main difference is that assets acquired under a finance lease are shown as fixed assets on the lessee's balance sheet.

FRS 102 glossary defined a finance lease as "a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. A lease that is not a finance lease is an operating lease".

Under SSAP 21, a finance lease may be depreciated under one of three methods:

- the **actuarial method**;
- the **rule of 78** (also known as **sum of the digits**); or
- the **straight line method**.

finance leases with return in capital form

Tax provisions are set out in Income Tax Act 2007 from s614B.

finance lease test

Test set out in Capital Allowances Act 2001 s70N.

finance lessor

In relation to finance leases, "means a person who for accounting purposes is treated, in accordance with generally accepted accounting practice, as the person with —

(a) the grantor's interest in relation to a finance lease, or

(b) the lender's interest in relation to a loan"

(Income Tax Act 2007 s614DG).

The same definition is used in relation to anti-avoidance provisions for leases in Corporation Tax Act 2009 s937.

finance market

Place where large sums of money are borrowed and lent.

finance platform

In relation to credit references for small and medium-sized entities, "means a person that provides a service for the exchange of information between **finance providers** and businesses that require finance" (Small Business, Enterprise and Employment Act 2015 s7(2)).

finance provider

In relation to credit references for small and medium-sized entities, "means a body corporate that —

(a) lends money or provides credit in the course of a business,

(b) arranges or facilitates the provision of debt or equity finance in the course of a business, or

(c) provides, arranges or facilitates invoice discounting or factoring in the course of a business" (Small Business, Enterprise and Employment Act 2015 s7(2)).

financial accounting

A term usually applied to *external reporting* by a business where that reporting is presented in financial terms.

Financial Accounting Standards Board (FASB)

Body which issues accounting standards in the USA.

Financial Action Task Force (FATF)

Body that compiled a list of Non-Cooperative Countries or Territories which were seen as being havens for money laundering and terrorism funding.

The first list of 15 states and territories was compiled in June 2000. The list includes territories that were unable to deal with the issues in addition to those unwilling to do so. The list was Bahamas, Cayman Islands, Cook Islands, Dominica, Israel, Lebanon, Liechtenstein, Marshall Islands, Nauru, Niue, Panama, Philippines, Russia, Saint Kitts and Nevis, Saint Vincent and the Grenadines.

The list was updated until November 2009 when no countries were still listed.

financial activity tax (FAT)

Tax proposed in 2008 and 2009 on the activities of banks as a means of controlling irresponsible lending and of recovering government subsidy. The UK adopted the bank levy instead.

financial adaptability

The ability of the company to respond to unexpected needs or opportunities.

financial advantage

Term used in relation to **tainted charity donations** (Income Tax Act 2007 s809ZL and Corporation Tax Act 2010 s939E).

financial adviser

Person who offers personal advice on financial matters, such as pensions and investments. Such a person must be regulated by the **Financial Services Authority**.

Financial advisers are of three types:

- S: single tier advisers;
- M: multi-tier advisers; and
- WOM: whole of market advisers.

A **single-tier adviser** only advises on the financial products of one company, and is usually an employee of that company.

A **multi-tier adviser** advises on the products of a few companies.

A **whole of market adviser** gives advice on all financial products on the market.

There is also a category D adviser where a person can deal directly with the company, though this is not really advice at all.

A financial adviser must tell clients what type of adviser he is.

financial aid

Assistance given to a person, business or country in the form of cash rather than in goods or services.

financial assessment In relation to the **cap on care costs**, an assessment of the finances of an adult in determining how much he or she must pay towards their care (Care Act 2014 s15(5)).

financial asset **Financial instrument** which is a security.
For accounting standards, a financial asset is defined as “any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
 - (i) to receive cash or another financial asset from another entity,

or

- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable for the entity; or
- (d) a contract that will or may be settled in the entity’s own equity instruments and:
 - (i) under which the entity is or may be challenged to receive a variable number of the entity’s own equity instruments; or
 - (ii) that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own equity instruments. For this purpose the entity’s own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity’s own equity instruments” (FRS 102 glossary).

In accounts, financial assets are shown at “amortised cost less impairment” except for publicly traded securities and those which are valued at **fair value** (FRS 102 section 2.47).

financial assistance Help in the form of money.
The term has a specific meaning in Companies Act 2006 s677 in relation to a company providing assistance to buy its own shares. This is generally prohibited.

Financial Assistance Scheme (FAS)
Government backed scheme set up in 2008 to deal with **lost pensions**.
Under the scheme, members of lost pension schemes will:

- get 90% of their **accrued pension** up to a cap of £26,000;
- have their post-1997 entitlements **inflation linked**;
- be entitled to retirement benefits from the age of 60;
- be able to apply for an earlier pension on grounds of ill health;
- be entitled to draw a **lump sum** from the fund if it is able to pay it.

financial assistance In the context of international aid, includes assistance:

- “(a) by way of grant or loan,
- (b) in the form of a guarantee, or
- (c) by the Secretary of State acquiring securities of a company”

(International Development Act 2002 s6).

Financial Assistance Scheme	Scheme for pensions provided by Pensions Act 2004 s286. The Treasury may make regulations in relation to its tax under Finance Act 2009 s73. It made SI 2010 No 1187.
financial benefit	In relation to frozen terrorist assets, "includes the discharge of a financial obligation for which the designated person is wholly or partly responsible" (Terrorist Asset-Freezing etc Act 2010 s13(2)(b)).
financial benefit share	The amount that may be paid tax-free to an employee in respect of a suggestion. The benefit share is the greater of: <ul style="list-style-type: none">• half the first year's benefit, and• 10% of the first five years' benefit (Income Tax (Earnings And Pensions) Act 2003 s322(5)).
financial calendar	List of significant dates in a business's financial reporting.
Financial Conduct Authority (FCA)	Body formed on 1 April 2013 to take over work previously done by the Financial Services Authority .
financial correspondent	Journalist who specialises in articles on financial topics.
financial crime	Crimes against property and finance. They include fraud, insider trading, theft, unlawful and fraudulent trading, bribery, identity theft, tax evasion, money laundering, forgery and counterfeiting.
financial derivative	Financial instrument whose value depends on another underlying security. A common example is an option that is a derivative of a share .
financial exclusion	Inability of disadvantaged individuals to open a bank account, obtain a credit card, and otherwise use normal financial facilities.
financial futures	Contract for the delivery of gilts at a future date. For a provision of corporation tax, the term "means financial futures which are for the time being dealt in on a recognised futures exchange " (Corporation Tax Act 2009 s981(3)).
financial gearing	Ratio of loan finance to equity capital and reserves.
financial guarantee contract	"A contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the original or modified terms of debt instruments" (FRS 102 glossary).
financial health check	Term sometimes used for a periodic review or audit of an individual or business's financial affairs to see if they are still in a healthy state. What may have been effective tax planning and other general financial health may no longer be appropriate.

financial health requirement Requirement under various tax provisions that a business is not in financial difficulty. This is needed to comply with European law that generally prohibits any form of state aid (including tax relief) to a firm in difficulty.

financial inclusion Ability of individuals to open a bank account, obtain a credit card, and otherwise use normal financial facilities.

financial information Information which may be reported in money terms.

financial institution

Company law

Any company or other body which provides financial services to businesses. Financial institutions include banks, loan companies and similar.

For Companies Act, the term “means a financial institution within the meaning of Article 1.1 of the Council Directive on the obligations of branches established in a Member State of credit and financial institutions having their head office outside that Member State regarding the publication of annual accounting documents (the Bank Branches Directive, 89/117/EC)” (Companies Act 2006 s1173 (1)).

Companies Act 2006 s778 contains special provisions about transfer of shares to such an institution. For this purpose the term is restricted to clearing houses, investment exchanges and equivalent bodies.

Taxation for alternative finance arrangements

In relation to **alternative finance arrangements**, a definition appears in Taxation of Capital Gains Act 1992 s151I and Corporation Tax Act 2009 s502.

Accounting standards

“Any of the following:

(a) a bank which is:

(i) a firm with a Part IV permission [as defined in Financial Services and Markets Act 2000 s40(4)] which includes accepting deposits and:

(a) which is a credit institution; or

(b) whose Part IV permission includes a requirement that it complies with the rules in the General Prudential sourcebook and the Prudential Sourcebook for Banks, Building Societies and Investment Firms, relating to banks, but which is not a bank, building society, a friendly society or a credit union;

(ii) an EEA bank which is a full credit institution;

(b) a building society which is defined in section 119(1) of the Building Societies Act 1986 as a building society incorporated (or deemed to be incorporated) under that act;

(c) a credit union, being a body corporate registered under the Industrial and Provident Societies Act 1965 as a credit union in accordance with the Credit Unions Act 1979, which is an authorised person;

(d) custodian bank, broker-dealer or stockbroker;

(e) an entity that undertakes the business of effecting or carrying out insurance contracts, including general and life assurance activities;

(f) an incorporated friendly society incorporated under the Friendly Societies Act 1992 or a registered friendly society registered under section 7(1)(a) of the Friendly Societies Act 1974 or any enactment which it replaced,

including any registered branches;

(g) an investment trust, Irish investment company, venture capital trust, mutual fund, exchange traded fund, unit trust, open-ended investment company (OEIC);

(h) a retirement benefit plan; or

(i) any other entity whose principal activity is to generate wealth or manage risk through financial instruments. This is intended to cover entities that have business activities similar to those listed above but are not specifically included in the list above.

A parent entity whose sole activity is to hold investments in other group entities is not a financial institution" (FRS 102 glossary).

financial instrument

"A contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity" (FRS 102 glossary and section 11.3).

A previous definition was a document of any kind which shows that money has been lent by one party to another in expectation or receiving back the funds with a profit of some kind (FRS 13, now replaced by FRS 102).

financial intermediary

Organisation which takes funds from clients and arranges for them to be invested.

financial leverage

American term for **financial gearing**.

financial liability

"Any liability that is:

(a) a contractual obligation:

(i) to deliver cash or another financial asset to another entity; or

(ii) to exchange financial assets or financial liabilities with another

entity under conditions that are potentially unfavourable to the entity; or

(b) a contract that will or may be settled in the entity's own equity

instruments and

(i) under which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or

(ii) will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments" (FRS 102 glossary).

Such an item is shown in the accounts at "amortised cost less impairment" unless it is publicly traded or valued at **fair value** (FRS 102 section 2.47).

Previously the term meant a liability under a contract to provide cash or an equivalent asset, or to exchange financial instruments on terms that are unfavourable (FRS 13).

Financial List

Court list created on 1 October 2015. It draws judges from the Commercial Court and from the Chancery Division of the High Court to hear claims for more than £50 million.

Guidance on transferring a case to the List was given by Sir Terence

Etherton, Chancellor, in the case *Property Alliance Group Ltd v Royal Bank of Scotland* [2016] QBD.

financial loss allowance	Allowance that may be payable to a member of a parish or community council under Local Government Finance Act 1972 s173(4).
financial management	Management of the financial functions, particularly in relation to the use of long-term and short-term capital in a business.
financial option	<p>Option which is not a traded option, but which relates to currency, interest rates or share prices generally, or to some similar financial indicator.</p> <p>For capital gains tax, an exhaustive definition is given in Taxation of Capital Gains Act 1992 s144(8).</p>
financial pager	Electronic device designed to fit into the pocket and provide financial data. It was popular in the 1980s and 1990s after which it was replaced by more sophisticated devices.
financial penalty	In relation to rogue landlords , this term is given a specific meaning in Housing and Planning Act 2016 s56.
financial penalty notice	This may be issued by the Oil and Gas Authority when there has been non-compliance with a petroleum-related requirement. (Energy Act 2016 s44).
financial planner	Person who is qualified to give financial advice to clients.
financial planning	Process of making arrangements for efficient future of funds to cover foreseeable eventualities, to minimise outgoings and to maximise income.
Financial Planning Certificate	A professional qualification for financial advisers obtained by examination through the Chartered Insurance Institute. Holders are entitled to be Registered with the Society of Financial Advisers.
financial position	<p>State of a person's or business's finances. This usually involves looking at current assets and liabilities, and current income and expenditure.</p> <p>"The financial position of an entity is the relationship of its assets, liabilities and equity as of a specific date as presented in the statement of financial position [balance sheet]" (FRS 102 glossary and section 2.15).</p>
financial price adjustment	In relation to pricing of defence contracts, this is a specific calculation set out in Defence Reform Act 2014 s21.
financial product	Insurance, banking, pensions and similar financial services viewed in the same way as consumer goods.
financial reinsurance arrangement	Term used in determining the tax liability of insurance companies. The term is explained in Finance Act 1989 ss83YE and 83YF.

financial report

Presentation of financial information.

The **Statement of Principles for Financial Reporting** identifies three types of financial report:

- **special purpose financial reports;**
- **general purpose financial reports;** and
- **other financial information.**

General purpose financial reports are further distinguished between **general purpose financial statements** and **other type of general purpose financial report**.

Financial Reporting Council (FRC)

UK's independent financial regulator. In 2006, it took over the **Accounting Standards Board**. From 2011, it has issued accounting and auditing standards.

Financial Reporting Exposure Draft (FRED)

Draft of a Financial Reporting Standard.

Financial Reporting Lab

Part of the **Financial Reporting Council**. It was established in 2011 to do research work on accounting standards.

Financial Reporting Review Panel (FRRP)

UK body which investigates complaints about the accounts of listed companies with regard to possible discrepancies from the requirements of company law and accounting standards.

Financial Reporting Standard (FRS)

A UK accounting standard issued by the Financial Reporting Council.

The current series comprises:

- Foreword to Accounting Standards
- Guidance on the Strategic Report
- FRS 100 Application of Financial Reporting Requirements
- FRS 101 Reduced Disclosure Framework
- FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland
- FRS 103 Insurance Contracts
- FRS 104 Interim Financial Reporting
- FRS 105 The Financial Reporting Standard applicable to the Micro-Entities Regime.

For accounting periods that started before 1 January 2015, the term referred to Financial Reporting Standards issued by the Accounting Standards Board.

These FRSs were so issued:

- 1 Cash flow statements
- 2 Accounting for subsidiary undertakings
- 3 Reporting financial performance
- 4 Capital instruments
- 5 Reporting the substance of transactions
- 6 Acquisitions and mergers
- 7 Fair values in acquisition accounting
- 8 Related party disclosures

- 9 Associates and joint ventures
- 10 Goodwill and intangible assets
- 11 Impairment of fixed assets and goodwill
- 12 Provisions, contingent liabilities and contingent assets
- 13 Derivatives and other financial instruments
- 14 Earnings per share
- 15 Tangible fixed assets
- 16 Current tax
- 17 Retirement benefits
- 18 Accounting policies
- 19 Deferred tax
- 20 Share-based payment
- 21 Post balance sheet events
- 22 Earnings per share
- 23 Changes in foreign exchange rates
- 24 Financial reporting in hyperinflationary economies
- 25 Financial instruments: disclosure and presentation
- 26 Financial instruments: measurement
- 27 Life assurance
- 28 Corresponding amounts
- 29 Financial instruments: disclosures
- 30 Heritage assets

They are all discontinued for accounting periods that start on or after 1 January 2015. Entities must either use the UK standard from the FRS 102 family or use international standards.

Financial Reporting Standard for Smaller Enterprises (FRSSE)

Accounting standard that may be used by smaller businesses instead of using **Financial Reporting Standards**.

A company is eligible if it meets at least two of these three conditions for the current year and previous year:

- turnover below £6.5 million
- total assets below £3.26 million
- no more than 50 employees.

For accounting periods starting from 1 January 2016, FRSSE is replaced by Financial Reporting Standard FRS 102 section 1A. Micro-entities may instead use FRS 105.

financial returns to education Economic term for the **wage premium**, in terms of additional wages that can be earned by having a greater education.

financial review Examination of the financial position of a person or business.

financial risk This exists where a company has loan finance, especially **long-term loan finance** where the company cannot relinquish its commitment. The risk relates to being unable to meet payments of interest or repayment of capital as they fall due.

“The risk of a possible future change in one or more of a specified

interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract" (FRS 102 glossary).

financial services

For freezing terrorist assets this term is defined in Terrorist Asset-Freezing etc Act 2010 s40. It broadly includes insurance, banking and investment.

There is a statutory definition in Small Business, Enterprise and Employment Act 2015 s2 in relation to the exclusion of such a contract from the ban on debt factoring.

Financial Services Act

UK law passed in 1986 and which took effect from 7 November 1986. It regulated the provision of financial services to the public. It created the **Financial Services Authority**. After several amendments, it was repealed from 1 December 2001 when it was replaced by the Financial Services and Markets Act 2000.

Financial Services And Markets Act (FSMA)

UK law passed in 2000. It created the Financial Services Authority, now replaced by the Financial Conduct Authority. It tightened up the regulation of the financial markets, and established a service to resolve disputes.

Financial Services Authority (FSA)

The single regulatory authority for the UK financial services industry. It was formed in 2001.

From 1 April 2013, it is largely replaced by the **Financial Conduct Authority (FCA)** under Financial Services Act 2012. Other functions devolve to the **Prudential Regulation Authority**. Some powers are transferred to the **Bank of England**.

Financial Services Compensation Scheme (FSCS)

Body established under Financial Services and Markets Act 2000 Part 15.

It was established in 2001 from previous schemes, when it was known as the Investors Compensation Scheme. In its first five years to 2006, it paid out just under £1 billion in compensation. Between 2006 and 2011 it paid out more than £26 billion as a consequence of the banking crisis.

The scheme is funded by a levy on banks, building societies and some other financial institutions.

The tax consequences for its interventions are addressed in Finance Act 2009 s74.

financial slack

Cash buffer that sustains a business while funding is found.

financial stability objective

Objective of the Financial Services Authority under Financial Services and Markets Act 2000 s2(2) as added by Financial Services Act 2010 s1.

financial statement order

Order which requires a military person to provide details of his finances to a court (Armed Forces Act 2006 s266).

financial statement	A report of financial activity, such as statement of financial activities or summary of assets and liabilities.
financial statements	Documents presenting accounting information which are expected to have a useful purpose. “Structured representation of the financial position, financial performance and cash flows of an entity” (FRS 102 glossary).
financial strength	Measure of a company's financial resources, particularly in relation to its ability to withstand risks.
financial supermarket	Company which offers a wide range of financial products.
financial support	Term used in Pensions Act 2004 s45 in relation to funding for a service company for a final salary (or defined benefit) scheme.
financial support direction	Direction issued by the Pensions Regulator under Pensions Act 2004 s43 in respect of a final salary (or defined benefit) occupational pension scheme which has insufficient financial resources.
Financial Times	British daily newspaper on pink paper which concentrates on financial and commercial news. It was founded on 9 January 1888. The newspaper co-sponsors many indices of share prices, particularly the FTSE-100 index . The company also has many other trading divisions in books, websites and financial services.
financial trader	For derivative contracts, the term is defined in Corporation Tax Act 2009 s710.
financial trading	A statutory definition of this term appears in Small Business, Enterprise and Employment Act 2015 s2(2) in relation to allowing debt factoring.
financial transaction tax	Tax proposed by the European Parliament to discourage excessive risk-taking in addition to providing revenue. Details were set out in a European Parliament press release of 10 March 2010.
financial viability	Ability of a business to survive on an ongoing basis.
financial year	Accountancy The year for which financial statements are prepared, which may not be the same as the calendar year. The term accounting period is now preferred. Company Law The period from the day after the end of the previous financial year (or start of the first accounting period) to the last day of the next accounting period or within seven days of it (Companies Act 2006 s390(2)). Corporation tax For corporation tax, a financial year is a period which runs from 1 April in one year to 31 March in the next (Income and Corporation Taxes Act 1988 s834(1)).

Consolidated Fund

“means, in relation to matters relating to the Consolidated Fund, the National Loans Fund, or moneys provided by Parliament, or to the Exchequer or to central taxes or finance, the twelve months ending with 31st March” (Interpretation Act 1978 Sch 1).

financier

Person who provides finance, usually to businesses.

financing activities

For statements of cash flow, “financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of an entity” (FRS 102 glossary and section 7.6).

The section continues with examples.

Find a Job

Name given to Universal Jobmatch website from 14 May 2018. It matches job seekers with vacancies.

finder's keepers

Saying that means whoever finds something may keep it. Under English law, this is theft.

fine

Law

Penalty imposed for breaking the law.

Strictly a fine is only imposed by a court. Other penalties, such as for most tax or motoring offences, are civil penalties and do not comprise a criminal conviction. See also **parking fine**.

In general, a fine that is a punishment is not tax deductible whereas a fine that is compensatory is deductible. A leading case is *McKnight v Sheppard [1999] 71TC419*. The matter is discussed in the Inspectors' Manual at BIM 42515.

Other meanings

(1) Of particularly good quality.

(2) Ordinary French brandy.

fineer

Old term meaning to get goods on credit.

Fine Gael

Irish political party that believes in a united Ireland.

fines

In relation to landfill tax, means material in a fine state of division separated from the main material by screening.

Qualifying fines are subject to the lower rate of tax under SI 2015 No 1385.

fine-tooth comb

Comb with fine teeth such as used to comb out nits from the hair.

The word is used metaphorically to mean a very detailed analysis.

Note that “fine” refers to the closeness of the comb's teeth; there is no such thing as a tooth comb.

finger buffet

For VAT, an issue arises as to whether a supply is zero-rated food or standard-rated catering.

A leading case for catering is *P J and L J Lawson (t/a Country Fayre)*

[1996] VATTR 14903.

A finger buffet was held to be catering even when the customer collected it in *Wendy's Kitchen* [1995] VATTR 15531.

finings

Substances that may be added to brewed liquor near the end of the production process to remove organic matter and thus improve the drink's clarity or improve its taste or aroma.

Customs notice 226 explains that the addition of finings does not affect the calculation of the duty unless (exceptionally) the finings contain alcohol.

finis finem litibus imponit

Latin: a fine puts an end to legal proceedings.

finish and go

Colloquialism for the practice of working harder during a shift so that the workers can leave earlier. This only applies when the workers are paid for completing the work of a shift rather than for a set number of hours. Although this can be popular with workers, some trade unions have discouraged the practice on the basis that employers could use it to reduce the hours allowed for a shift.

finishing travelling expenses

"Expenses incurred by the employee in travelling to a place in the United Kingdom on the termination of the employment" (Income Tax (Earnings And Pensions) Act 2003 s341(8)).

finite population correlation factor (FPCF)

In statistics, an adjustment to reflect the inaccuracy of using a small population size.

fink

Colloquialism for an employee who breaks a strike.

Finland

European state which is a member of the European Union, for which purpose the Åland Islands are excluded. Its currency is the euro of 100 cents.

The UK has a double taxation convention of 1969 amended by a protocol of 1996.

fino

Dry sherry.

FINROF regime

Regime related to Funds Investing in Non-reporting Offshore Fund. The regime requires the fund to notify HMRC within three months of first investing under the regime. Details of the regime are contained in Authorised Investment Trusts (Tax) Regulations 2006 paras 85A to 85Z11 as inserted by SI 2010 No 294 with effect from 6 March 2010.

FIO

Free in and out. This is a marine carriage term which means the freight rate covers the sea freight only. The costs of loading and discharging the cargo are not included.

FIOD

Dutch Fiscal and Investigation Service.

fippence

Old colloquial abbreviation for five pence.

fiqh al-Muamalat	Arabic: Islamic rules on [financial] transactions.
fire	<p>Under the normal rules of tax allowability, stock lost by fire is a tax-deductible expense to the extent that the loss is not compensated by insurance.</p> <p>The matter is briefly discussed in the Inspector's Manual at BIM 45851.</p>
fire alarm	This is listed in Capital Allowances Act 2001 s23 List C as an item that is not affected by the provisions of s21 (buildings) or s22 (structures). This means that its eligibility for capital allowance depends on the nature and purpose of the item.
fire and rescue services	<p>The promotion of their efficiency is a purpose for which a charity may be formed.</p> <p>The term "means services provided by fire and rescue authorities under Part 2 of the Fire and Rescue Services Act 2004" (Charities Act 2011 s3(2)(f)).</p>
firearms	<p>Customs may seize any firearms brought into the country. This includes blank firing and replica guns, self-defence sprays, electric shock devices and stun guns. Realistic copies may only be imported for an authorised purpose such as participating in a historical re-enactment.</p> <p>Customs record-keeping for firearms is explained in Customs and Excise Management Act 1979 s75B.</p> <p>For criminal law, the term "means a lethal barrelled weapon of any description from which any short, bullet or other missile can be discharged and includes —</p> <ul style="list-style-type: none">(a) any prohibited weapon, whether it such a lethal weapon as aforesaid or not; and(b) any component part of such a lethal or prohibited weapon; or(c) any accessory to any such weapon designed or adapted to diminish the noise or flash caused by firing the weapon" (Firearms Act 1968 s57(1)).
fire extinguisher principle	<p>The perceived observation that buying a fire extinguisher makes it less likely that you will suffer a fire.</p> <p>By extension, the principle says that making provisions for dealing with a dispute or other problem will itself make such dispute or problem less likely.</p>
fire insurance	Insurance against an asset being destroyed or damaged by fire.
fire insurance tax	Tax charged from 1782 to 1869 at 1s 6d per £100 insured.
fireman	Before 6 April 2006 (when the normal pension retirement age was 60), a part-time fireman was allowed to retire on a full pension at the age of 55.
fire safety equipment	Part of a building (Capital Allowances Act 2001 s21(3) List A).
fire sale	<p>Originally, a sale of fire-damaged goods as a means of reducing the loss suffered from a fire.</p> <p>Colloquially, it can mean any quick sale as a desperate attempt to raise funds. Items in a fire sale are often sold for much less than the value than</p>

would otherwise be sought.

firewood

For VAT, firewood may be reduced rated under Value Added Tax Act 1994 Sch 7A Group 1 when supplied for domestic use. Further details are given in VAT notice 701/19.

The wood must be specifically held out for sale as domestic firewood.

fireworks

Items that may be included in the list of **explosives** for which there are special Customs provisions (Explosives Act 1875 s3(1)).

firkin

Barrel-shaped container used for beer and other liquors. It is equal in capacity to one quarter of a **barrel**, that is about nine gallons.

firlot

Old Scottish dry measure equal to a quarter of a **boll**.

firm

Noun

Business, particularly a partnership.

Partnership law defines the term as:

“Persons who have entered into **partnership** with one another are for the purposes of this Act called collectively a firm, and the name under which their business is carried on is called the firm-name” (Partnership Act 1890 s4(1)).

For Companies Acts, the term “means any entity, whether or not a legal person, that is not an individual and included a body corporate, a corporation sole and a partnership of other unincorporated association” (Companies Act 2006 s1173(1)).

Adjective

Description of an offer or price which is definite and neither provisional nor approximate.

firm commitment

For accounting standards, “a binding agreement for the exchange of a specified quantity of resources at a specified price on a specified future date or dates” (FRS 102 glossary).

firm name

Name under which a **partnership** trades.

firm within a firm

Common expression for part of an organisation that tends to operate independently. The term is particularly used in the police, though it can apply to any organisation, commercial or non-commercial. In such a group, there is usually greater loyalty to the group leader than to the organisation's overall leadership or management.

first abolition date

Date from which national insurance contributions cease to qualify for a rebate for employees who are members of a defined contribution occupational pension scheme. The date is 6 April 2012.

The abolition was effected by Pensions Act 2007 s15(1). The term abolition date was renamed first abolition date by Pensions Act 2014 Sch 13 para 2.

The second abolition date is when national insurance contributions cease to qualify in respect of defined benefit schemes. That date is 6 April

2016.

first banking accounting period

In relation to corporation tax on banks, this term is defined in Corporation Tax Act 2010 s269CE.

first charge

The first claim on a property, as evidenced by a **legal charge** on that property.

first closing date

Milestone in the process of one company taking over another. It is reached when a company has launched the bid and sent its offer document to the target company.

first commercial sale

In relation to enterprise investment scheme, "has the same meaning as in the European Commission's Guidelines on State aid to promote risk finance investment (as those guidelines may be amended or replaced from time to time" (Income Tax Act 2007 s275A(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 2015 Sch 6.

first death insurance

Another name for a **joint life insurance policy** that pays only on the first death.

first fruits

Most profitable results from labour, from the idea that the first fruit to be harvested is that which is easiest to pick.
Under ancient Hebrew law, the first fruits were to be offered to God.

first hand

Original. The term is used for information gained directly and not from someone else, or for new goods.

first in, first out (FIFO)

Usual method of stock valuation.
The method assumes that the oldest items of stock are sold first. This means that if a company has 100 widgets which cost it £4 each and another 100 which cost it £5 each, and it sells 80 widgets. It assumes that it sold 80 of the £4 ones. If it then sells another 30 widgets, it assumes that the sale is of the remaining 20 ones which cost £4 and 10 which cost £5.

First Minister (FM)

Chief executive of **Northern Ireland Executive** who has equal power with the deputy First Minister in a diarchy.

first mortgage

Mortgage on a property which has priority over any subsequent mortgages on the same property.

first notice day

First day that a notice of intention to deliver a commodity in fulfilment of an expiring futures contract may be given to the clearing house by the seller.

first offender

Person with no previous criminal conviction.
Criminal law generally prevents sending such an offender to prison if the matter can be appropriately punished by other means.

first purchase price	Term used in connection with the alternative finance arrangement known as purchase and resale arrangements (Taxation of Capital Gains Act 1992 s151J).
first quarter	First three months of a particular year.
first recipient	First person to receive imported soft drinks. Such a person is liable to pay any soft drinks industry levy under Finance Act 2017 s33.
first relevant chargeable event	In relation to entrepreneurs' relief, "means the first relevant chargeable event in the case" (Finance Act 2008 Sch 3 para 8(3)).
first relevant disposal	In relation to entrepreneurs' relief, "means the first disposal made on or after 6 April 2008 on which a chargeable gain is deemed to accrue to the individual by reason of the relevant transaction" (Finance Act 2008 Sch 3 para 7(3)).
first relevant period of account	<p>In relation to reverse premiums, "means the period of account in which the property transaction is first entered into" (Income Tax (Trading and Other Income) Act 2005 s102(4)).</p> <p>In relation to such a premium for a trade, the term "means the first period of account in which the recipient carries on the trade" (ibid s102(5)(b)).</p>
first sale period	In relation to cemeteries, this term is given a specific meaning in Income Tax (Trading and Other Income) Act 2005 s171(4).
first seller	Term used in connection with imported soft drinks for soft drinks industry levy (Finance Act 2017 s33(9)).
first six	For barrister training, the first six months of pupillage which is non-practising.
first slice	<p>Part of an amount of income considered first for some tax purpose.</p> <p>The term is used in Income Tax Act 2007 s491 in relation to trust income.</p>
first tax year	<p>For trading, "the basis period for the tax year in which a person starts to carry on a trade —</p> <p>(a) begins with the date on which the person starts to carry on the trade, and</p> <p>(b) end with 5th April in the tax year"</p> <p>(Income Tax (Trading and Other Income) Act 2005 s199(1)).</p>
first-tier tax tribunal for Scotland	Tribunal established to hear tax cases in Scotland (Revenue Scotland and Tax Powers Act 2014 s21(1)).
first-tier tribunal	Tribunal where a first attempt is made to resolve legal issues. These bodies are established from 2009 to replace the various employment tribunals, other tribunals, commissioners' hearings and similar (Tribunals, Courts and Enforcement Act 2007 s3).

The first-tier tribunals are organised into **chambers**. All but the most complex cases will be heard by the relevant chamber of a first-tier tribunal. Appeals will go to the **Upper Tribunal**.

- first-time adopter of this FRS** “An entity that presents its first financial statements that conform to this FRS [102], regardless of whether its previous accounting framework was EU-adopted IFRS or another set of accounting standards” (FRS 102 glossary).
- first-time buyer** Under Finance Act 2003 s57B and Sch 6ZA, such a buyer does not pay SDLT on property up to £300,000 and pays 5% on any excess, provided the property does not cost more than £500,000.
These provisions are added by Finance Act 2018 s41. They apply from 22 November 2017.
A definition of first-time buyer is provided in Sch 6ZA para 6.
- First Time Exporters** Package of government advice and assistance offered to first-time exporters, announced on 18 May 2015.
- first trustee in bankruptcy** Position that may be held by the official receiver until the court appoints another trustee (Insolvency Act 1986 s291A).
- first unpenalised default** Term used by HMRC in relation to the first late payment of PAYE in a tax year under the Real Time Information (RTI) system. HMRC does not charge a penalty for the first late payment. Penalties are imposed for the second and subsequent penalties.
An employer may appeal against the first default even though no penalty has been imposed, as that will prevent a penalty being imposed for what would otherwise be the second default.
- first use amortised value** In relation to long funding operating leases, “means the value that the plant or machinery would have at the time when it is first brought into use for the purposes of the qualifying activity on the assumptions in subsection (6)” (Income Tax (Trading and Other Income) Act 2005 s148DB(5)).
The requirements of subsection (6) is basically that the asset has been depreciated on the straight line basis.
A similar definition also appears in Income Tax (Trading and Other Income) Act 2005 s148I(5).
- first use market value** In relation to long funding operating leases, “means the market value of the plant or machinery at the time when it is first brought into use for the purpose of the qualifying activity” (Income Tax (Trading and Other Income) Act 2005 s148DB(4)).
A similar definition also appears in Income Tax (Trading and Other Income) Act 2005 s148I(5).
- first year allowance (FYA)** Capital allowance which is available in the first year that a business uses a fixed asset.
Details are given in Capital Allowances Act 2001 from s52.

first-year tax credits	The relevant law is Capital Allowances Act 2001 Sch A1 as inserted by Finance Act 2008 s70 and Sch 25 for expenditure incurred from 1 April 2008.
FIS	(1) Fraud Investigation Service. (2) Family income support.
fisc	State treasury, public purse.
fiscal	Referring to either tax policy or government revenue.
fiscal cliff	American term coined for provisions to raise taxes and cut public expenditure unless a budget is agreed in time. The term was particularly used for provisions planned to take effect from 1 January 2013. It was also dubbed taxmageddon .
fiscal consolidation	Term used by the Chancellor of the Exchequer in the 2012 Budget to mean adjusting tax rates as part of a package of getting the UK economy to a sustainable position.
fiscal dividend	Tendency for tax revenues to increase automatically without any change of policy, such as additional income tax revenue from routine pay increases.
fiscal drag	Effect inflation has on average tax rates. If tax allowances are not increased in line with inflation, and people's incomes increase with inflation then they will be moved up into higher tax bands and so their tax bill will go up. However, they are actually worse off because inflation has cancelled out their pay rise and their tax bill is higher. The only person that is better off is the Chancellor as he is getting more tax and hasn't had to increase tax rates. Chancellors have been known to use this as a subtle means to raise more tax revenue. To maintain average tax rates, allowances should be increased by the amount of inflation each year.
fiscally warehoused goods	Goods in a fiscal warehouse . The tax provisions are in Value Added Tax Act 1994 s18B.
fiscal mandate	Term used in the June 2010 Budget report. The mandate is "to achieve cyclically-adjusted current balance by the end of the rolling, five-year forecast period. At this Budget, the end of the forecast period is 2015-16" (Budget 2010 Red Book para 1.15).
fiscal mark	Sign that a tax or duty has been paid, as appears on packets of cigarettes from 1 April 2001.
fiscal measures	Tax changes announced by the government, particularly with a view to influencing the economy.
fiscal policy	Fiscal policy is "the use of government expenditure and taxation to try to influence the level of economic activity" (HM Treasury glossary).

fiscal question	Public policy issue of whether to prefer free trade or protectionism.
fiscal representative	For air passenger duty, a person who acts for an airline operator who has no permanent establishment in the UK. The law is Finance Act 1994 s34.
fiscal territory	Those parts of the European Union (EU) in which the EU system of VAT is applied. It is smaller than the EU customs territory (because it excludes the Special Territories).
fiscal warehouse	For VAT and other taxes, "means such place in the United Kingdom in the occupation or under the control of the fiscal warehousekeeper, not being retail premises, as he shall notify to the Commissioners in writing, and such place shall become a fiscal warehouse on receipt by the Commissioners of that notification or on the date stated in it as the date from which it is to have effect, whichever is the later, and ... shall remain a fiscal warehouse so long as it is in the occupation or under the control of the fiscal warehousekeeper or until he shall notify the Commissioners in writing that it is to cease to be a fiscal warehouse" (Value Added Tax Act 1994 s18A(3)).
fiscal year	The fiscal year is the same as the tax year . It runs from April 6th of one year to April 5th of the next year. Any Budget changes are usually implemented for the next fiscal year. i.e. to start on April 6th.
fish	For VAT purposes, fish recognised as food for human consumption are zero-rated, whereas fish for other purposes, such as tropical fish, are standard-rated. The criterion is not whether the fish is palatable to humans (goldfish are) but the purpose of the sale. Further details are given in VAT notice 701/14 and 701/15. In relation to controlling disease, "fish does not include shellfish but otherwise means fish of any kind" (Diseases of Fish Act 1937 s10).
fisherman	Before 6 April 2006 (when the normal pension retirement age was 60), an inshore fisherman was allowed to retire on a full pension at the age of 55.
fish farm	"Means any pond, stew, fish hatchery or other place used for keeping, with a view to their sale or to the transfer to other waters (including any other fish farm) live fish, live eggs of fish, fish, or foodstuff for fish, and includes any buildings used in connection therewith, and the banks and margins of any water therein" (Diseases of Fish Act 1937 s10).
fishing expedition	Exercise that appears to be a cover for searching for mistakes. The accusation is sometimes made against tax authorities, who are not allowed to undertake fishing expenditures. A tax enquiry must be for a specific purpose.
fishing interrogatory	An interrogatory that does not relate to any matter before a court. Permission for such an interrogatory will not be granted.

fishing rights	Profits from this, when run as a trade, are subject to income tax (Income Tax (Trading And Other Income) Act 2005s12) or corporation tax (Corporation Tax Act 2009 s39).
fisk	Alternative spelling of fisc .
FISMA	Financial Services and Markets Act 2000. The abbreviation is used as the substantive term in Corporation Tax Act 2009 s92, which allows a company tax relief for any levy or award of costs made under this Act. The tax implications of repayments are given in <i>ibid</i> s104. The allowance for levies under the Act is explained in Corporation Tax Act 2009 s1246.
FIT	(1) Feed-in tariffs . (2) Part of FCA handbook that deals with the test for fit and proper persons for approval.
fit and proper test	A test for those who wish to register under money laundering laws as a money service business or trust or company service provider . The test checks a person against various records to see if they have any convictions, disqualifications or other detriments which indicate they are unsuitable for registration.
fit for a particular purpose	Under consumer protection law, goods sold for a particular purpose must be fit for that purpose (Consumer Rights Act 2015 s10).
fit for habitation	Implied term in all tenancies for low rent.
Fit for Work	Government scheme of advice and assessment introduced from 1 January 2015. Referrals to the assessment service ended on 31 May 2018 in Scotland and on 31 March 2018 in the rest of the UK. The website and helpline remain.
fitness for purpose	Implied condition in all contracts for sale to consumers.
fittings	Items in a building which are not attached to it but are sold with it. Typically these include carpets, curtains and fitted furniture. Items attached to the building are called fixtures .
five bar gate	Simple method of keeping a tally when counting.



Each unit except the fifth is recorded as a vertical stroke. The fifth is indicated by a diagonal line across the previous four, making a picture similar to a gate.

Each one of these symbols represents 5, making it easy to see the

running total.

five-minute clause

Clause that can be inserted in a deed of separation which declares the deed void if the husband and wife are still together five minutes after the separation is enjoined.

five pound note

Bank note that is legal tender for five pounds.

Since 1921, such a note may only be issued by the Bank of England, though some Scottish and Irish bank notes are widely accepted.

Bank of England £5 notes were first issued in 1793. They became wholly machine-printed in 1855. Notes produced since 1960 (known as series C) incorporate a picture of the Queen. Previous notes were widely known as **white fivers**.

Since 1971, five pound notes have depicted a famous person:

Series	Depicts	Issued	Demonetised
D	Duke of Wellington	11 Nov 1971	29 Nov 1991
E	George Stephenson	7 June 1990	21 Nov 2003
E rev	Elizabeth Fry	21 May 2002	in use
F	Sir Winston Churchill	2016	proposed

fiver

Common name for a £5 note, or a bank note for five of some other currencies.

five-year averaging

Provision that allows farmers to average their profits over five years, in addition to the previous arrangement allowing for averaging over two years. The provisions are contained in Income Tax (Trading and Other Income) Act 2005 from s221.

Five Year Forward View

Government plan for funding the National Health Service between 2015 and 2020.

five-year gap

For the **herd basis**, a period of five years in which a farmer does not keep a production herd of a particular class (Income Tax (Trading and Other Income) Act 2005 s125).

five-year plan

National economic plan, particularly those first propounded by the Russian leader Joseph Stalin in 1928 and copied by other countries. Most of the plans failed.

fixed allowance

For employee expenses, a figure set by the Treasury which an employee in that occupation may claim against taxable income without having to prove expenditure (Income Tax (Earnings And Pensions) Act 2003 from s366).

The matter is discussed in the Inspectors' Manual at EIM31623. The list of allowances is given at EP2260.

This was originally given by extra-statutory concession A1.

fixed annuity

Annuity (such as pension payments) where the amount is fixed at the start of the time and does not change. It is not, for example, indexed against inflation. In the UK, it is more common to use the term **level annuity**.

fixed asset	Buildings, furniture and other assets which are not expected to be consumed within the next 12 months. See fixed assets .
fixed asset disposal account	In bookkeeping, an account that may be used to record the disposal of a fixed asset. It is debited with the cost of plant sold, and credited with provisions for depreciation plus proceeds of sale. The balance is then written off to the profit and loss account.
fixed asset restatement reserve	Item in local authority accounts, which shows the change in the value of our assets from the historic cost to their current valuation.
fixed assets	"Assets of an entity which are intended for use on a continuing basis in the entity's activities" (FRS 102 glossary).
fixed assets usage	Revenue divided by net book value of fixed assets .
fixed budget	Budget where amounts of income and expenditure are stated in advance and are not intended to be affected by circumstances.
fixed capital	Finance provided to support the acquisition of fixed assets. In <i>John Smith and Son v Moore [1921] 12TC266</i> , fixed capital was defined as "what the owner turns to profit by keeping it in his own possession". This is discussed in the Inspectors' Manual at BIM33015.
fixed charge	Charge over a particular fixed asset on terms that allow the asset to be taken by the lender if a loan is not paid.
fixed cost	Cost which is not dependent on quantity of items produced or sold. As opposed to a direct cost . Fixed costs include overheads such as rent, rates, office staff, marketing, inspection, storage etc. The distinction between fixed costs and direct costs is a matter of management accounting convenience rather than an accurate representation of reality, as few costs are either wholly direct or fixed. The cost of making a metal component can involve a labour cost of setting up a autolathe which is fixed regardless of how many components are made. Conversely fixed costs such as inspection and storage will eventually assume some of the nature of the direct cost, in that the more items made, the greater will be the need to inspect and store them.
fixed-date summons	Summons in a county court that initiates actions other than for the payment of money.
fixed deduction	Deduction agreed between HMRC and a group of employees which covers general expenditure borne by the employees which they may deduct without having to produce supporting evidence. The deduction is usually in respect of uniforms and tools.

fixed deposit	Investment in the form of a deposit which pays a fixed rate of interest.
fixed duty	Stamp duty that is charged at a fixed amount, as against an ad valorem duty which relates to the value of a transaction.
fixed exchange rate	Rate of exchange between two currencies which does not fluctuate and can only change by revaluation or devaluation.
fixed expenses	Expenses which do not vary according to the amount of goods or services produced.
fixed income	Situation where income does not change from year to year, as with annuities where there is no index-linking.
fixed income arbitrage	Investment strategy that seeks to exploit inefficiencies in the pricing policies of fixed income securities and their derivatives.
fixed instalment method	Method of calculating depreciation . It is the same as the straight line method .
fixed interest investment	Investments which pay interest at a rate which does not change.
fixed interest security	Government bond and other forms of security investment where the interest rate does not change.
fixed interest	Where the interest rate does not change whatever happens to the economy.
fixed interest trust	A trust where the beneficiary is entitled to receive all or some of the income as it arises, such as for a specified period or for his lifetime. At the end of the period or life, the trust ends, usually with the capital of the trust passing to someone else.
fixed mortgage	Mortgage is one where the rate of interest is fixed and does not vary with the bank base rate. Such a mortgage is usually offered: <ul style="list-style-type: none">• for a short term only,• at a higher rate than the current variable rate, or• as a short-term marketing ploy.
fixed odds betting	Arrangement where a stake is placed on the outcome of an uncertain event where the prize is an advertised multiple of the stake. So odds of 7/2 (seven to two) means that a winner will receive a prize of 3½ times the stake, plus a refund of the stake. It is the most common form of betting. It may be offered at an event (such as a racecourse), in a betting shop or online. It is licensed and regulated by the Gambling Commission .
fixed odds betting terminal (FOBT)	Machine in betting shops that allow a person to stake a sum every 20 seconds for a gamble at fixed odds. The £100 maximum stake is to be reduced to £2 from 2021 because of their addictive nature and capacity to lose large sums

quickly. The proceeds are subject to 25% betting and gaming duty.

fixed oil	An oil that does not volatilize by heating without decomposition, and which hardens when left exposed to the air. Linseed oil and walnut oil are examples.
fixed penalty notice (FPN)	Notice issued under Road Traffic Offenders Act 1988 for a motoring offence. It is regarded as a civil penalty and not as a criminal offence.
fixed premium	Insurance premium whose amount does not change during the life of the policy.
fixed price agreement	Agreement where goods or services are supplied at a price which cannot be changed during the lifetime of the agreement.
fixed price	Price which cannot be changed. It is usually time limited.
fixed price contract	A contract where the exact price is stated at the outset.
fixed profit car scheme (FPCS)	Arrangement that applied up to 5 April 2002, whereby an employee could be reimbursed an amount taken from a table for business mileage in the employee's car. The table was based on engine size. From 6 April 2002, this is replaced by the present scheme of mileage allowances .
fixed protection (FP)	For pensions, arrangement whereby existing pension provision are protected when they have already exceeded the lower lifetime allowance introduced in 2011. Such an application must have been made by 5 April 2012 when the lifetime allowance reduced from £1.8 million to £1.5 million. Similar provisions have been made for subsequent reductions in the lifetime allowance.
fixed rate	A guaranteed rate that is normally set just below the standard variable rate and is guaranteed for a certain period of time. If the standard variable rate falls below the fixed rate you will still have to pay the fixed rate. Once the fixed rate period ends you will normally pay the lender's variable rate. Sometimes there are redemption penalties associated with this type of deal.
fixed rate loan	Loan on which the rate of interest does not change. Such a loan to an employee is generally not a taxable benefit in kind, provided similar terms were offered to the employer's customers at the time. A full definition is given in Income Tax (Earnings And Pensions) Act 2003 s177.
fixed rate mortgage	Mortgage in which the amount of interest payments do not change during the term of the mortgage.
fixed-rate preference shares	In determining eligibility to claim tax relief for a venture capital trust, a person's holding or entitlement to acquire such shares is ignored under Income Tax Act 2007 s313(6)(a).

For this purpose, such shares are defined as “shares which
(a) were issued wholly for **new consideration**,
(b) do not carry any right either to conversion into shares or securities of any other description or to the acquisition of any additional shares or securities, and
(c) do not carry any right to dividends other than dividends which:
(i) are of a fixed amount or at a fixed rate per cent of the nominal value of the shares, and
(ii) together with any sum paid on redemption, represent no more than a reasonable commercial return on the consideration for which the shares were issued”.

fixed scale of charges

Rate of charges which do not change.

fixed-sum credit

Financial facility, other than a **running-account credit**, where a debtor is entitled to borrow money as one amount or in instalments.

fixed term

Description of any arrangement that is for a fixed period of time. The term is commonly used for leases and tenancies.

fixed-term pension

Pension whose payments are fixed for a period, typically five years. At the end of that period, the pension member may choose another type of pension.

fixed yield

Percentage return which does not change

fixer

Person who arranges deals on behalf of other people.

fixture

General

Something attached to land or a building which cannot be removed without damage. Such an item is generally legally regarded as part of the land.

A fixture normally requires annexation, which is some form of physical attachment. Something that rests on its own weight may be regarded as a fixture if it was intended to be regarded as part of the land.

Lease of plant and machinery

For leases of plant and machinery, the term

“(a) means any plant or machinery that is so installed or otherwise fixed in or to a building or other description of land as to become, in law, part of that building or other land, and

(b) includes any boiler or water-filled radiator installed in a building as part of a space or water heating system”

(Capital Allowances Act 2001 s70YI(1) and s212L(7)).

A fixture cannot be a **long-life asset** (Capital Allowances Act 2001 s93).

An identical definition appears in Capital Allowances Act 2001 s172A in relation to long funding leases, and in *ibid* s212L in relation to allowance buying.

fixtures

Items which are attached to buildings, such as windows and doors.

fixtures and fittings (f & f)	Objects in a property which are part of the property though they may be removable. This can include a curtain rail (fixture) and a curtain (fitting). These items are usually considered together when trading property.
fixtures for the disabled	Items permanently attached to a building to make occupation easier for a disabled person. Examples include lifts, hoists and special sinks and toilets. Such fixtures are excluded from the property's valuation for council tax.
fizzy	Referring to a drink that contains many bubbles, such as lemonade or sprakling wine. Fizzy drinks are standard-rated for VAT. Sparkling wines may be subject to additional excise duty.
FJD	ISO code for Fijian dollar.
FKP	ISO code for Falkland Islands pound.
flag	(1) In investing, a pattern seen on a chart of a futures price when the price rises and then remains stable, drawing a picture like a flag. (2) General expression meaning to highlight or draw attention to. (3) In human resources, a term meaning to tire, such as from exhaustion, disinterest or boredom.
flag day	Day when a charity may raise funds and offer small paper flags or similar symbols to be displayed on the donor's clothing.
flag state	State where a ship is registered (or "flagged"). International mariners are generally liable to national insurance and social security according to the laws of the flag state. Most of the exceptions to this general rule were removed from 1 May 2010, from when the only exception is where the mariner is remunerated from a country where he or she also is resident.
flapjack	Food item traditionally made with grain, butter and syrup. For VAT, ordinary flapjacks are zero-rated as food. However the VAT tribunal ruled that flapjacks were standard-rated when honey was used (<i>Asda Stores Ltd [2009] TC 211</i>).
flash crash	Sudden collapse of a stock market or similar. The term is particularly used for the sudden fall of almost 1000 points on the Dow Jones index on 6 May 2010, as a result of an engineered extreme order book imbalance .
flash man	Old slang for a thief.
flash notes	Old slang for forged bank notes.
flat	(1) State where something neither rises nor falls, such as prices on a stock market. (2) Fixed, as in a flat rate of interest or flat rate of pay. (3) "A separate set of premises (whether or not on the same floor): (a) which forms part of a building;

(b) which is constructed or adapted for use for the purposes of a dwelling;

(c) either the whole or a material part of which lies above or below some other part of the building”

(Commonhold and Leasehold Reform Act 2002 s112(1)).

The creation of flats from commercial premises may attract a special capital allowance (Capital Allowances Act 2001 ss393A-393W).

flat conversion allowance Capital allowance that was provided by Capital Allowances Act 2001 from s393A and repealed from 1/6 April 2013 by Finance Act 2012 s227 and Sch 39 para 37.

flat management company (FMC)

Company that manages the common parts in blocks of flats. These include entrances, stairs and corridors. The FMC may hold these common parts as a freehold, head lease or commonhold.

Where the FMC holds funds on trust, it is required to submit Trust and Estate tax returns to HMRC. Guidance on sinking funds and service charge funds is contained in HMRC newsletter 12.10.

flat over a shop From 11 May 2001, this may qualify for its own **capital allowance** if relevant conditions are met.

flat rate Rate which does not change.

flat rate accrual amount (FRAA)

Proposed amount of **State Second Pension (S2P)** from a future date, originally intended to be 6 April 2012 but now deferred. Proposals for its introduction are given in Social Security Administration Act 1992 s148AA.

Instead of S2P being wholly determined as a percentage of **band earnings**, it is intended that it be a mixture of FRAA and a figure relating to a 10% **accrual rate**. The figure proposed in 2009 was £1.50 a week, or £78 a year.

flat-rate addition In Irish Republic, a special rate of VAT that may be used by farmers.

flat rate annuity Annuity that does not change value from year to year. Such an annuity loses value through the effects of inflation.

flat rate code For PAYE, a code that applies tax at the basic, higher or additional rate on all income for a tax year. Its provisions are set out in PAYE regulations SI 2003 No 2682 s15.

flat rate introduction year “Such tax year as may be designated as such by order” (Social Security Contributions and Benefits Act 1992 s122(1)).
This relates to the proposals to replace State Second Pension with a flat rate of benefit unrelated to earnings.

flat-rate scheme VAT scheme for small traders where VAT is accounted for by reference to a percentage of total output, generally ignoring input tax completely.

The law is Value Added Tax Act 1994 s26B.

flat tax	Tax levied at a single rate regardless of a person's income.
flat top	In investment, element of the shape drawn on a graph where a price remains at the same high price for a while.
flat yield	Fixed interest rate expressed as a percentage of the sum paid for the investment.
flavoured alcoholic beverages (FABs)	The formal name for alco-pops .
flavourings	<p>For VAT, these are generally zero-rated as food, whether natural or synthetic (VAT notice 701/14).</p> <p>They are generally also exempt from excise duty even if they contain alcohol. Further guidance is given in Customs notice 41.</p>
flea-bite	Colloquialism for a very small amount, particularly one which a person pretends is small.
Fleet Book Evidence	<p>Old legal colloquialism for no evidence at all.</p> <p>The origin is that books of the Old Fleet prison were not accepted as evidence of marriage.</p>
Fleet marriage	Marriage improperly performed for money by needy clergy in the first half of the 18 th century in Fleet Prison in London. The practice was abolished by Marriage Act 1754.
Fleet Prison	London prison where debtors were held. It closed in 1842.
Fleming claim	<p>Claim for VAT relief outside the three-year cap imposed in 1995, or four years from 2005.</p> <p>The name comes from the case <i>M Fleming (t/a Bodycraft) v C & E Commissioners</i> [2006]. The case concerned a claim for VAT paid on cars acquired in 1989 and 1990. It was held that the three-year cap was ineffective under European law as the British government had not allowed a transitional period.</p>
Flemish account	Sum less than expected, from the old Amsterdam pound that was worth less than the UK pound.
flex-fuel vehicle	American term for a vehicle that can be run on two or more types of fuel, or on any combination of them. The commonest example is petrol and ethanol.
flexi-access	Term used to describe funds held by a pension fund member that may be drawn down under the provisions of Finance Act 2004 Sch 28 para 8A as inserted by Taxation of Pensions Act 2014 s3(1) from 6 April 2015.

flexi-access pension	<p>Pension from which flexible drawdowns may be made. It extends the pre-April 2015 scope of flexible drawdown, and introduces that facility for other defined benefit pension schemes.</p> <p>It allows the scheme member to drawdown as much pension as he or she wishes, either as a lump sum or as regular payments or annuity. Unlike the pre-2015 scheme, there is no requirement to have £12,000 (or £20,000 before 2014) other income.</p>
flexible benefit plan	<p>American term for a regulated benefit programme that offers employees a choice between taxable benefits and non-taxable benefits.</p>
flexible benefits	<p>A program where employees can select from a range of benefits offered by their employer in order to meet their own specific needs.</p>
flexible budget	<p>Budget where some amounts of expenditure are determined by amounts of income.</p>
flexible drawdown	<p>Ability to withdraw funds from a pension fund from 6 April 2011. The original conditions are broadly that the taxpayer is at least 55 years old and has a secure pension of at least £20,000 a year. The amount of drawdown is to a maximum of 120% of what would have been the pension. These provisions are set out in Finance Act 2004 Sch 28.</p> <p>From 27 March 2014, the conditions are relaxed so that the maximum percentage rises to 150% and the minimum income reduces to £12,000. These changes are effected by Finance Act 2014 s41.</p> <p>From 6 April 2015, members of a defined contribution pension scheme may draw out the whole amount.</p>
flexible mortgage	<p>A feature of some mortgages that gives the mortgagor freedom to change the amount and frequency of their mortgage payments.</p>
Flexible New Deal	<p>Welfare programme introduced in 2008 to replace New Deal 18-24, New Deal 25+ and employment zones. Flexible New Deal was itself replaced in 2010 by the Work Programme.</p>
flexible power of appointment trust	<p>An interest in possession trust where the beneficiaries can be varied. Such a trust is often used to hold a single premium bond.</p>
flexible scheduling	<p>In human resources, an alternative work arrangement that gives employees a measure of choice as to when they work.</p>
flexible spending account (FSA)	<p>US term for a benefit which an employer may provide to employees. Typically an FSA provides a fixed amount of benefit which the employee may put towards health costs.</p>
flexible staffing	<p>American term for using temporary workers, independent contractors and part-time employees to make up the workforce as needed.</p>

flexible tenancy	<p>Secure tenancy for up to 2½ years which has been so designated under the provisions of Housing Act 1985 s107A.</p> <p>There also provisions under Localism Act 2011 s158 as amended by Housing and Planning Act 2016 s121.</p>
flexible trust	<p>Another name for a flexible power of appointment trust.</p>
flexible working	<p>A change in an employee's working conditions to suit the employee.</p> <p>From 6 April 2003, an employee has the statutory right to <i>request</i> flexible working to look after a child or dependant relative. An employer is obliged to have a meeting with the employee and give the request serious consideration. An employer that fails to do so can be fined.</p> <p>There is no obligation on an employer to allow flexible working, although about 80% of such requests are agreed in practice.</p> <p>There is a separate right for a person facing retirement to request flexible working.</p>
flexi-notes	<p>Form of bonds issued by Kleinwort Benson in the unsuccessful avoidance scheme of stripped bond scheme.</p>
flexitime	<p>In human resources, a system of working in which employees must attend work for core hours, but have some choice as to when the work other hours.</p>
flight	<p>In relation to a person subject to air passenger duty, "means his carriage on an aircraft, and for the purposes of this Chapter, a person's flight is to be treated as beginning when he first boards the aircraft and ending when he finally disembarks from the aircraft" (Finance Act 1994 s24(5)).</p>
flight of capital	<p>When money quickly leaves a company, business sector, country or type of investment because of fears about its future.</p>
flight sheets	<p>Separate duplicate list completed by the export shop operator for each flight, identifying sales to passengers by invoice number and date.</p>
flight to quality	<p>Tendency of investors to change investments to safer types when economic circumstances become difficult.</p>
flip-flop scheme	<p>Tax avoidance scheme involving offshore trusts. The essence is to manipulate the arrangements to avoid a liability for capital gains tax.</p> <p>The matter was examined in the case <i>Burton [2009] TC00156</i>.</p>
flimp	<p>Slang term meaning to rob by one person while another hassles the victim.</p>
flipping	<p>When a person changes a designation for their personal benefit.</p> <p>The term was so used in May 2009 during the scandal of MPs' expenses when it was discovered that many members "flipped" their designation of their main homes and second homes to maximise the amount they could claim for their second home allowance.</p>

FLO	Fairtrade Labelling Organization.
float	(1) Quantity of cash used for a purpose such as to fund expenses in advance or to provide change. (2) Offering a company's shares for sale on a stock market. (3) Allowing a currency to fluctuate freely against other currencies, rather than be tied to a fixed rate.
float copy	In publishing, a catalogue or similar with a blank cover that can be printed on to produce a finished catalogue with the desired cover. For VAT, it was held that they were zero-rated as books even though they were not finished (<i>GUS Catalogue Order Ltd. [1987] VTD 2958</i>).
floating asset	Term sometimes used for a current asset .
floating capital	Capital retained to meet current expenditure.
floating charge	Security taken by lender which floats over all the assets and crystallises over particular assets if the security is required. In Scotland, these charges must be registered under Bankruptcy and Diligence etc (Scotland) Act 2007 ss37-45.
floating policy	Insurance policy for moveable items.
floating rate loan	Loan where the rate varies during the term, such as by being related to the bank base rate.
floating rate note	Form of currency loan, particularly denominated in the euro, which is not at a fixed exchange rate.
floating rate	A variable rate, particularly of a currency against other currencies.
float system	System where petty cash is periodically topped up with sufficient funds. The total amount held is not fixed, as in the imprest system .
FLO-CERT	Body established in 2004 from Fairtrade Labelling Organization . The body certifies products as fair trade .
flog	Slang term that originally meant to sell illicitly, but now can mean any sale, particularly of unwanted assets.
flog a dead horse	Colloquialism for the practice of proceeding with an investigation or similar activity where it is obvious that such activity cannot succeed, or will succeed but produce nothing worthwhile.
flood	"Includes any case where land not normally covered by water becomes covered by water" (Flood and Water Management Act 2010 s1(1)). Floods from burst water mains or sewers are excluded.
flood defences	Expenditure on flood defences is allowable as a tax deduction from 1 January 2015 under Income Tax (Trading and Other Income) Act 2005 s86A as inserted

by Finance Act 2015 Sch 5.

The position for a company with an investment business is set out in Corporation Tax Act 2009 s1244A.


flood insurance	“Insurance in respect of risks arising from a flood” (Water Act 2014 s64(5)).
Flood Reinsurance Scheme	Scheme established to ensure that properties subjected to flooding can be insured. The Scheme is set up under Water Act 2014 from s64.
flood risk report	Report available from Land Registry on likelihood of flooding for any property.
floor	<p><i>Finance</i></p> <p>The lowest permitted level of something, such as a minimum level of grant that the government has determined a local authority will receive.</p> <p><i>Building</i></p> <p>A floor is regarded as part of a building (Capital Allowances Act 2001 s21(3) List A).</p>
floor broker	Stockbroker who is also a member of a brokerage house.
floor loan	American term for the amount a lender is willing to provide for a commercial property which is to be let. The amount of the loan increases as the floor space increases during construction.
floor price	Price which cannot go any lower.
floor trader	Independent trader on a stock exchange who trades on his own account.
floor trading	Trading on the floor of an exchange, which includes the method of outcry . Since Big Bang most trading has been done on computers in offices.
floppy disk	<p>Means of storing computer data outside the computer.</p> <p>Various disks were developed. The early ones were not rigid, hence the name. Later ones were enclosed in a plastic case. The standard floppy disk for computers held 1.4 megabytes of data. These disks started to disappear from use from around 2000 as compact discs, DVDs and external hard drives became inexpensive and readily available with a much large capacity.</p>
floppy disk	Standard 3.5 inch disc in a plastic cassette used by computers. They were widely used in the 1990s though now largely replaced by compact discs, DVDs and USB datasticks. HMRC generally accepts data submitted on a floppy disk.
floppy drive	Drive on a computer for playing floppy disks . This may be built into the computer or be a separate computer peripheral.
florebo quocumque ferar	Latin: I will flourish everywhere I am planted. This is the motto of the French East India Company.

Florian	Patron saint of mercers.
florin	<p><i>English coin</i></p> <p>Two-shilling coin introduced in 1847 as an early attempt to introduce decimal currency. The coin was redenominated as 10 new pence on decimalisation in 1971 until being demonetised in 1993.</p> <p>Edward III issued gold florins worth six shillings in 1337.</p> <p><i>Aruba coin</i></p> <p>Gold coin issued by Aruba or Austria, that may be a gold investment coin for VAT purposes. It is listed in VAT notice 701/12A.</p>
flotation	<p>Process of floating a company, usually by allowing investors to buy its shares.</p> <p>The extent to which flotation costs are tax-deductible is discussed in the Inspectors' Manual at BIM38240.</p>
flotsam	Goods lost in a shipwreck and found floating on the sea.
flow chart	Diagrammatic representation of an activity, such as decision making or a process. HMRC publishes these in several areas to assist taxpayers in making the correct decision.
flowers	For VAT, flowers are generally standard-rated. An exception is made for flowers that are edible. VAT Notice 701/38 gives a list that HMRC considers is exhaustive. An unsuccessful attempt to add further flowers was made in the case <i>Branded Garden Products [2017] TC 5604</i> .
flow-through funds	Contributions (particularly in USA) to a charity or similar foundation that are used primarily for direct grant making, rather than for endowing the foundation permanently. Most corporate foundations depend on these funds each year rather than on income produced from endowment funds.
FLR	(1) Family Law Reports, series of law reports from 1980. (2) Federal Law Reports, series of Australian law reports from 1956.
FLS	Funding for Lending Scheme.
fluctuation	<p>Day-to-day variation, such as between exchange rates or in the measure of an index.</p> <p>"A temporary change in market value quite distinct from any depreciation which may occur" (Bookkeeping and Accounts, Spicer and Pegler).</p>
fluid ounce	Imperial unit of liquid capacity. It is equal to 1/20 of a pint, 1.7339 cubic inches or 28.413 millilitres.
fluorinated greenhouse gas	Product which may need a European Commission Licence to import. Such a licence is a condition of obtaining Customs clearance.

flush	(1) In gambling, a whole hand of one suit of cards. (2) Rich, prosperous.
flutter	Gamble for a small amount of money.
fluvial	Pertaining to rivers.
fly a kite	Engage in speculative action to see what happens. The term is now commonly used to mean publishing a story to see what response it elicits, such as to find out how true it is. Historically the term more commonly meant to send a begging letter.
fly-by-night	Colloquialism for someone who defrauds creditors by decamping in the night.
flying without wings	Old term meaning to attempt something without the necessary resources.
fly money	Term used by police to describe funds they use to catch criminals, such as by undercover officers buying drugs or stolen goods.
FM	First Minister, of Northern Ireland Executive.
FMC	Flat management company
FMed 3	Standard medical certificate which a medical practitioner provides to someone unable to work because of sickness or injury.
FMU	Forced Marriage Unit, part of the Foreign Office.
FMV	Fair market value.
FNMA	Federal National Mortgage Association , an American body more commonly known as Fannie Mae .
FO	Foreign Office.
FOB	Free on board.
f o b contract	Contract for export of goods where the seller's duty is completed by placing the goods on board a ship.
FOBT	Fixed odds betting terminal.
focus group	In human resources, a small group of people who are led in a discussion with a view to developing ideas on a particular topic.
foddergrains	Type of cereal , namely barley, oats, maize, sorghum and millet. These are also known as coarse grains
FOF	Fund of funds.

foggage	Grass that grows after the hay has been cut.
fog signals	Substance may be included in the list of explosives for which there are special Customs provisions (Explosives Act 1875 s3(1)).
FoI	Freedom of Information, obtaining access to information held as records by government agencies, government ministers, and other public bodies in accordance with Freedom of Information legislation.
FOIA	Freedom of Information Act 2000.
FOK	Fill or kill.
folder	For VAT, a folder is generally standard-rated unless it conveys information or is sold as part of printed matter (VAT notice 701/10).
fold flat crate	Plastic crate which can be collapsed for storage.
folding stuff	Slang term for money.
folio	<p>In accounting, a number on a page.</p> <p>This is used to cross-reference transactions from one part of the accounting records to another. It is part of the process of creating an audit trail.</p> <p>The plural is folios.</p>
folkland	Old term for common land subject to duties being paid to the king.
follower	<p>For tax avoidance, someone who has used a tax avoidance scheme which has been litigated by HMRC but where that person was not a party to the litigation.</p> <p>Provisions under Finance Act 2014 Part 4, allow HMRC to issue follower notices requiring payment of tax from followers.</p>
follower notice	<p>Notice issued a taxpayer who has used a tax avoidance scheme which has been held to be ineffective in litigation between HMRC and another taxpayer.</p> <p>A follower notice requires the taxpayer (the follower) to pay the tax being avoided. The taxpayer may choose not to do so and continue to litigate the matter, but in doing so risks a penalty (in addition to any other penalties) under Finance Act 2014 Part 4.</p> <p>The tax advantage being sought is called the asserted advantage. The arrangements are called the chosen arrangements.</p> <p>There are four conditions that must all be met before HMRC may issue a follower notice:</p> <ul style="list-style-type: none">• Condition A: a tax enquiry must be in progress• Condition B: the return is made on the basis of an asserted advantage from chosen arrangements where it is clear that those arrangements were made primarily for tax avoidance• Condition C: HMRC believes there has been a judicial ruling that is relevant to the chosen arrangements

- Condition D: no previous follower notice has been given to the same taxpayer in respect of the same arrangements (Finance Act 2014 s197).

following trust property	Alternative term for tracing trust property.
follow-on funding	Term used in relation to venture capital trusts. The law is Income Tax Act 2007 from s327A, as inserted by Finance (No 2) Act 2017 s12(3).
follow-on TESSA	<p>A type of TESSA that could be taken out from 1 January 1996 to put in the funds of a mature TESSA (the first of which were issued for five years from 1 January 1991).</p> <p>They have been superceded by ISAs from 6 April 1999.</p>
Follow service	<p>Service introduced by Companies House from 13 March 2017.</p> <p>It allows anyone automatically to receive notifications about any registered company. The person must first register at Companies House.</p>
folly	<p>Building erected on a whim with no obvious purpose. Many such follies are now listed buildings.</p> <p>By extension, the term has come to mean any foolishness.</p>
fond commun de placement (FCP)	Structure for corporate funds used in Luxembourg. They are co-owned bodies that must be managed by a fund management company.
fonds	French: landed property, money, fund.
fons et origo	Latin: the source and the origin.
font	<p>Size and style of a type face.</p> <p>The standard size is the point where 72-point refers to type one inch high. So lines of 72-point type are one inch apart. Normal typefaces for text are 10 or 12 point.</p> <p>Type faces are generally either serif or sans serif. This means that they have or do not have respectively little lines or serifs:</p> <div style="text-align: center;"></div> <p>Serif face Sans serif face</p>
food	<p><i>Value added tax</i></p> <p>For VAT, food is generally zero-rated for VAT under Value Added Tax Act 1994 Sch 8 Group 1.</p> <p>“Food includes drink” Value Added Tax 1994 Sch 8 Group 1 Note 1.</p> <p>The zero-rating applies to food for human consumption (Group 1 item 1), animal feed (item 2), seeds to produce food (item 3), and animals which produce food in any way (eg pigs, cows, bees) (item 4).</p> <p>Zero-rating does not extend to ice cream and similar, confectionery, alcoholic drink, manufactured beverages, crisps and similar snacks, pet foods,</p>

catering and **hot takeaway food and drink**.

Further details are provided in VAT leaflet 701/14.

Income tax and corporation tax

For income tax and corporation tax, food consumed while away on business or in entertaining staff is generally tax-deductible for the business and not taxed as a benefit in kind on the recipient. Other costs may not be allowable.

The law is set out in Income Tax (Trading And Other Income) Act 2005s57A.

A leading case on this is *Edwards v Warmley Henshall [1967] 44TC431* which is discussed in the Inspectors' Manual at BIM 37925.

Food provided for customers comprises **entertainment** and is usually not tax-deductible.

food additive

Something added to food. VAT notice 701/14 states that a food additive may be zero-rated as food if it:

- has some measurable nutritional content
- is used solely or predominantly, in the particular form in which it is supplied, in the manufacture of food
- is not one of the excepted items, as set out in the notice.

Food and Environment Research Agency (FERA)

Agency that may authorise the import of plants and plant products that are otherwise prohibited from entering the UK.

food bank

Store of food for those not able to afford to buy it commercially. Such banks are often run by churches and charities.

From April 2013, local authorities are required to consider the use of food banks in determining **locally administered assistance**.

food containers

For VAT, ordinary food packaging is regarded as part of the food and follows the same VAT treatment. A container that has a significant value of its own (such as coffee sold in a storage jar) is a mixed supply where the container is standard-rated. Further details are given in VAT notice 701/14.

Food for Britain

Current name for the Agricultural and Horticultural Co-operation. It is a mutual trading organisation and is discussed in the Inspectors' Manual at BIM24715.

food mile

Mile travelled by an item of food. It is used as a measure of the fuel so used.

food stamp

Welfare voucher exchangeable for food, issued by US government.

foolscap

The once standard paper size of 8 by 13 inches (200 x 330mm), or sometimes 8½ by 13½ inches (216 x 343 mm).

During the 1970s, it was generally replaced by A4 size, which is 8.27 by 11.69 inches.

The term comes from the watermark of a fool's cap that appeared on the early paper from 1479.

foot	<p>(1) Imperial measure of length equal to 12 inches, one third of a yard or 304.8 millimetres. There are 5,280 feet in a mile. The term originally related to the length of a man's foot.</p> <p>(2) American term for sub-total at the bottom of a column of figures.</p>
Foot, Michael	English Labour politician (1913-2010) who was leader of the Labour party from 10 November 1980 to 2 October 1983.
football cap	For VAT, this is generally standard-rated, regardless of size. However a VAT tribunal did allow zero-rating for acrylic hats .
football creditor rule	Rule imposed by the Football League that a football team becoming insolvent must give priority to paying its players and managers before other creditors. HMRC failed in the High Court to have this rule declared to be contrary to insolvency law (<i>HMRC v Football League Ltd. Ch D. The Times 28 June 2012</i>).
footballer	<p>A footballer may retire on a personal pension at the age of 35, provided:</p> <ul style="list-style-type: none">• the person had the right by 5 April 2006,• the right was unqualified in that it needed no other person to consent,• the right was set out in the governing documentation of the pension scheme by 10 December 2003. <p>(SI 2005 No 3451, as explained in the Inspector's Manual at RPSM 03106035). This relaxation of pension rules does not apply to Football League players.</p>
football ground improvements	<p>A football pools company that pays for such improvements may deduct that expenditure from trading profits (Finance Act 1990 s126).</p> <p>This was part of a package of pool betting duty reforms that included reducing the duty from 42½% to 40% (Finance Act 1990 s4).</p>
football hooliganism	This particularly problem is addressed by Sporting Events (Control of Alcohol etc) Act 1985 and other legislation.
Football Licensing Authority	<p>Body established under Football Spectators Act 1989 Sch 2.</p> <p>It is now renamed the Sports Ground Safety Authority (Sports Ground Safety Authority Act 2011 s1).</p>
football pitch	Unofficial unit of area, even though the size is not fixed under the rules of Association Football. The average size is 114 yards by 74 yards, giving an area of 8,414 square yards or 7,036 square metres.
football pools	Form of betting where a person tries to predict the outcome of football matches. It is subject to pool betting duty .
footfall	Retail term for amount of passing trade.
footfall address	Investigation term for an address where it is known a suspect has been based.

footpath	Highway other than a footway where the public have the right of way on foot only (Highways Act 1980).
foot the bill	Pay the bill, or promise to pay it. The term comes from the old custom of signing the bottom of a bill to indicate a promise to pay.
footway	Part of a highway where the public have a right of way on foot and where other parts have a right of way for vehicles (Highways Act 1980).
Footsie	The popular name for the FT-SE 100 Share Index, the UK stockmarket's main benchmark index, which measures the daily share price performance of Britain's top 100 public limited companies, ranked by their size.
for [a tax year]	Income Tax (Earnings And Pensions) Act 2003 s16 and s29 defines the word "for" in the expression "earnings for a tax year" as being any earnings which arose in the whole or part of the year.
for accounting purposes	In relation to anti-avoidance for leasing, the term is defined in Corporation Tax Act 2009 s937.
forbearance to sue	Giving up the right to sue someone. This can be valid consideration for a contract , regardless of the merits for which the person may have intended to sue. A leading case is <i>Horton v Horton [1961]</i> .
forced choice	In human resources, any appraisal method in which the person being tested must choose an answer from a selection offered.
forced realisation	When the going concern accounting principle cannot be applied because it is believed that the business faces insolvency. The fixed assets are valued on the basis of what can be expected from a quick sale, or fire sale . This is usually much less than the written down value of such assets in a going concern.
forced sale	Sale which takes place because circumstances have forced it, such as to raise funds in a hurry or because a court orders a sale.
force majeure	French: irresistible compulsion or coercion. The term is often used in commercial contracts to describe events outside the control of either party. The contract may include a provision relieving a party from the consequences of such an event.
forcible entry	Common law criminal offence of using force to enter occupied premises other than as permitted.
for consideration	In relation to capital gains tax on a disposal of an interest in settled property, the term "a disposal is for consideration if consideration is given or received by any person for, or otherwise in connection with, any transaction by virtue of which the disposal is effected" (Taxation of Capital Gains Act 1992 Sch 4ZA para 3(1)).

forecast	Estimate of future income and expenditure. Note that this term differs from a budget which is an executive statement.
forecast dividend	Amount of dividend which a company expects to pay.
forecast transaction	"An uncommitted but anticipated future transaction" (FRS 102 glossary).
foreclosure	Selling a property because the owner cannot afford to pay a secured loan. A common example is when a mortgage is not being repaid.
foreclosure decree	For stamp duty, this is regarded as a conveyance on sale under the provisions of Finance Act 1898 s6.
Foreign Account Tax Compliant Act (FATCA)	American law passed in 2010 which aims to combat tax evasion across US borders. The Act is effective from 1 July 2014. The Act broadly requires banks, insurance companies, stockbrokers and other financial intermediaries to make an agreement with the US tax authorities to report relevant information about arrangements made for US citizens. Failure to do so means the IRS requires a 30% deduction as withholding tax. Finance Act 2013 contains provisions allowing UK investment businesses to make the necessary reports.
foreign agreement	Contract or other agreement that is regulated by a non-UK law.
foreign assets	For capital gains tax, assets held by a UK taxpayer in a foreign country. A taxpayer who is deprived of such assets may be able to claim relief under Taxation of Capital Gains Act 1992 s268B.
foreign banking group	Term used for the bank levy (Finance Act 2011 Sch 19 para 10).
foreign benefits	Social security benefit, or equivalent, paid from outside the UK. The general rule is that it is taxed according to the provisions of its UK equivalent (Income Tax (Earnings And Pensions) Act 2003 from s678).
foreign bill	Bill of exchange other than an inland bill . There is a different procedure if the bill is dishonoured.
foreign branch	Branch of a company in another country (SSAP 20).
foreign business	In the context of life insurance, means "overseas life assurance business or life reinsurance business to the extent that it consists of the reinsurance of overseas life assurance business" (Income and Corporation Taxes Act 1988 s431(2)).
foreign business assets	"In relation to an insurance company, means assets, other than linked assets , which either — (a) are shown in the records of the company as being primarily

attributable to liabilities of the company's foreign business, or
(b) are attributable, under the law of a country or territory outside the United Kingdom, to a permanent establishment of the company in that country or territory through which it carries on foreign business".
(Income and Corporation Taxes Act 1988 s431(2)).

foreign company	Company incorporated outside the UK but having a place of business in the UK.
foreign concession	In relation to mineral extraction, "means a right or privilege granted by the government of, or any municipality or other authority, in a territory outside the United Kingdom" (Capital Allowances Act 2001 s414(3)).
foreign currency	Currency of another country. No foreign currency is legal tender in the UK, but there is no law preventing contracting parties agreeing to accept any currency they wish. Capital gains tax is not payable when an individual dispose of foreign currency acquired for personal use (Taxation of Capital Gains Act 1992 s269).
foreign currency account	Bank account in a currency other than that normally used by the customer. For inheritance tax, such accounts are usually excluded from the personal estate by Inheritance Tax Act 1984 s157. For income tax and corporation tax, the implications of such an account are discussed in the Inspectors' Manual at BIM39528.
foreign currency assets	Term used in taxation of insurance companies. A full definition is contained in Income and Corporation Taxes Act 1988 s431(2).
foreign currency bank account (FCBA)	Bank account in currency other than UK currency. There are special capital gains tax provisions when a non-domiciled individual makes a remittance to the UK into such an account. The capital gains tax provisions are given in Taxation of Capital Gains Act 1992 s252A.
foreign currency cash flows	In accounting, part of the statement of cash flows . The accounting treatment is set out in FRS 102 sections 7.11-7.13.
foreign currency reserves	Amount of money which one government owns in the currency of another government.
foreign direct investment	Investment, usually in land and tangible assets, that involves cashflows from another country.
foreign dividend	"Any annual payment, interest or dividend payable out of, or in respect of the stocks, funds, shares or securities of: (a) a body not resident in the United Kingdom, or (b) a government or public or local authority in a country outside the United Kingdom." (Taxes Management Act 1970 s18(3G)).

foreign domiciliary	Type of excepted estate for inheritance tax. If the deceased died after 5 April 2004 and never had a UK domicile or deemed domicile , the estate may be treated as an excepted estate provided the UK estate comprises only cash or quoted shares up to £100,000 in value.
foreign double taxation arrangement	In relation to anti-avoidance provisions for intellectual property, "means an arrangement made by two or more territories outside the United Kingdom with a view to affording relief from double taxation in relation to tax chargeable on income (with or without other tax relief)" (Income Tax Act 2007 s577A(7) as inserted by Finance Act 2016 s42(8)).
foreign draft	Bankers draft in a foreign currency. Foreign drafts take about five days to arrive depending on the destination.
foreign earnings	Tax term for income which arises from overseas activities.
foreign employer	For national insurance, a definition is given in Social Security (Categorisation of Earners) Regulations SI 1978 No 1689 reg 1(2).
foreign enlistment	Criminal offence of enlisting oneself or someone else into the armed forces of a country with whom the Crown is at war (Foreign Enlistment Act 1870).
foreign enterprise	Subsidiary based in a different country (SSAP 20).
foreign entity	A business of any form based in another country.
foreign estate	In relation to beneficiaries' income from estates in administration, this term is defined in Corporation Tax Act 2009 s936.
foreign exchange	Business of exchanging one currency for another. If the money is physically changed to another currency, it is said to be converted . If an amount which remains in one currency is simply stated as a value of another currency without being changed, the amount is said to be translated . The tax implications are discussed in the Inspectors' Manual from BIM39500.
foreign exchange broker	Person who deals in foreign currencies.
foreign exchange dealing	Trading in foreign currencies.
foreign exchange market	Place where foreign currencies are bought and sold.
foreign exchange reserves	Another name for foreign currency reserves , the amount a government hold in a currency other than its own.
foreign exchange transfer	Sending money from one country to another.

foreign financial institution (FFI)

American term for investment businesses who are asked to report details of investments held by Americans to the American tax authorities under **Foreign Account Tax Compliance Act 2010**.

foreign gambling

Either non-remote gambling in a non-EEA state or other gambling which is not regulated by an EEA state (Gambling Act 2005 s331(2)). It is an offence to advertise foreign gambling other than a lottery.

foreign holdings

In relation to sale of foreign dividend coupons, "means shares outside the United Kingdom that are issued by or on behalf of a non-UK resident body of persons" (Corporation Tax Act 2009 s975(1)).

foreign income

Income which comes from outside the UK.

foreign income and gains

In relation to the remittance basis, this is given a specific meaning in Income Tax Act 2007 s809Z7.

foreign income distribution (FID)

UK tax policy relating to dividends and other distributions received by UK companies from overseas subsidiaries.

Under the pre-1999 rules for **advance corporation tax**, such dividends were taxed under Schedule D Case V. After an application to the European Court of Justice, it was held that where such overseas countries were in the European Union, this policy was contrary to articles 43 and 56 of the EC Treaty on dividends. A group litigation order is progressing this case through the UK courts.

foreign income dividend (FID)

A dividend that a company could choose to pay from its foreign income. This provision applied between 1 July 1994 and 5 April 1999.

foreign investment

Investment in a business or financial product from outside the UK.

foreign judgment

A judgment of a non-UK court. There are special rules in determining whether it is enforceable by UK authorities.

foreign law

Any legal system other than English law but which is recognised in that territory. Scots law is regarded as foreign law in English courts.

An English court may require evidence as to what the foreign law is. English courts may refuse to uphold foreign law that is against English public policy, penal or revenue laws.

foreign lottery

"The importation from a place outside the British islands and member States of the following articles is prohibited, that is to say —

(ii) any advertisement or other notice of, or relating to, the drawing or intended drawing of any lottery, which, in the opinion of the Commissioners of Customs and Excise is imported for the purpose of publication in the United Kingdom, in contravention of any Act relating to lotteries."

(Revenue Act 1898 s1).

foreign money order	Money order payable in a foreign currency, usually to someone in a foreign country.
foreign operation	“An entity that is a subsidiary, associate, joint venture or branch of a reporting entity, the activities of which are based or conducted in a country or currency other than those of the reporting entity” (FRS 102 glossary).
foreign pension	Pension paid by someone outside the UK (Income Tax (Earnings And Pensions) Act 2003 s573).
foreign prison-made goods	The import of such items may be banned by Foreign Prison-Made Goods Act 1897 s1.
foreign residence condition	Term used in Income Tax (Earnings And Pensions) Act 2003 s647 in relation to income of non-resident taxpayers.
foreign restrictions	Matters which can restrict the right of someone from outside the UK being a director of a UK company. The restrictions are set out in Companies Act 2006 ss1182 to 1191.
foreign rights	Legal entitlement relating to a foreign country, such as the right to sell a product there.
foreign seafaring service	Such service can be excluded from the charge to tax and national insurance on termination payments. The main condition is that the employee worked in such service for either three quarters of the whole period of service or for 10 of the last 20 years. The law is found in Income Tax (Earnings and Pensions) Act 2003 s414B as inserted by Finance Act 2018 s10(4).
foreign sector of the continental shelf	<p>Term defined in Capital Allowances Act 2001 s161A(2) in relation to capital allowances for offshore installations.</p> <p>It is similarly defined for decommissioning relief in Capital Allowances Act 2001 s416ZA(11) as inserted by Finance Act 2013 s95(11).</p>
foreign service	<p>In relation to pensions on termination of employment, the term is defined in Income Tax (Earnings And Pensions) Act 2003 ss413-414.</p> <p>In relation to lump sums for UK residents from foreign pension schemes, the term is defined in Income Tax (Earnings and Pensions) Act 2003 s395C as inserted by Finance Act 2017 Sch 3.</p>
foreign service allowance	Payment to government employees to meet additional costs of living outside the UK. It is exempt from tax under Income Tax (Earnings And Pensions) Act 2003 s299.
foreign social security benefit	“Means any benefit, allowance or other payment which is paid under the law of a country outside the United Kingdom and is in the nature of social security” (State Pension Credit Act 2002 s17(1)).

foreign specific employment income

Term used in Income Tax (Earnings And Pensions) Act 2003 s809Z7(4).

foreign spouse

Transfers to a non-domiciled spouse are not wholly exempt from inheritance tax. From 6 April 2013, transfers are tax-free up to a sum equal to the nil rate band.

For periods before 6 April 2013, they are exempt up to a maximum given in the table below:

From	Amount
6 April 2013	Nil rate band
9 March 1982	£55,000
26 March 1980	£50,000
27 October 1977	£25,000
27 March 1974	£15,000

foreign tidal waters

“Means tidal waters in an area within which rights are exercisable with respect to the bed and subsoil of the body of water in question and their natural resources by a country or territory outside the United Kingdom” (Capital Allowances Act 2001 s161A(2)).

The term is used in relation to capital allowances for **offshore installations**.

foreign trade

Trade with other countries, as against **domestic trade** in one's own country.

foreign travel order

Order restricting a person's right to travel overseas when they have been convicted of a sexual offence (Sexual Offences Act 2003 s114).

foreign war disablement pension

“Means any retired pay, pension, allowance or similar payment granted by a country outside the United Kingdom —

(a) in respect of disablement arising from forces' service or war injury; or

(b) corresponding in nature to any retired pay or pension to which section 641 of the Income Tax (Earnings And Pensions) Act 2003 applies” (State Pension Credit Act 2002 s17(1)).

foreign war widow's or widower's pension

“Means any pension, allowance or similar payment granted to a widow or widower by the government of a country outside the United Kingdom —

(a) in respect of a death due to forces' service or war injury; or

(b) corresponding in nature to a pension or allowance for a widow or widower under any scheme mentioned in section 641(1)(e) or (f) of the Income Tax (Earnings And Pensions) Act 2003” (State Pension Credit Act 2002 s17(1)).

forensic

Description of something relating to the courts or legal system.

forensic accounting	Scrutinising financial activities to determine whether anything illegal has happened, and taking steps to prevent such eventualities.
forensic auditing	Another term for forensic accounting , though a distinction is sometimes made that forensic auditing is undertaken by someone outside the organisation.
forensic partner	Partner in a firm who deals with litigation .
forensic science	Scientific analysis of material in connection with the law, particularly the analysis of material to determine whether and how it is connected with a crime.
foreseeable loss	Loss which is expected to be incurred, particularly on a long-term contract.
foresight	In law, awareness of consequences at the time of committing an action. This is an element of some criminal offences.
forest	Large area dominated by trees. A smaller area is called a wood. There are many special legal provisions and some tax provisions for forests. Tax on woodlands was once subject to Schedule B income tax.
forested land	For Scotland, this term is defined in Forestry and Land Management (Scotland) Act 2018 s12.
Forestry Commission Inspection Document	Document issued by the Forestry Commission in relation to certain timber and forestry products. Such a certificate may be needed to obtain Customs clearance for importation.
forex	Foreign exchange.
forex matching	Matching of foreign exchange such as in Midland Marine . The tax implications are discussed in the Inspectors' Manual at BIM 39522.
forfaiter	Person who discounts bills of exchange in forfaiting .
forfaiting	Process of providing finance for an exporter. The agent or forfaiter accepts a bill of exchange from an overseas customer and pays the bill at a discount to the exporter before collecting the full amount from the customer.
forfeit	Loss of property without compensation, such as when illegal goods are seized by a Customs officer or when a final call is not paid on shares.
forfeitable shares	In relation to employee schemes, "shares given to employees subject to a risk that they may have to be forfeited if specified conditions are not met during a forfeiture period " (BIM 44001).

forfeit clause	Provision in a contract where something can be forfeited if a specified breach occurs. Such a clause often refers to a deposit.
forfeited deposit	<p>Part payment made by a customer in respect of goods and services which the customer then cancels, and where the agreement is that the payment is not refunded to the customer.</p> <p>For VAT purposes, this is treated as a cancellation charge. There is no VAT charged on the deposit as there is no supply. If, exceptionally, VAT has already been charged, this may be reclaimed (VAT notice 700).</p>
forfeiture	Losing property without compensation.
forfeiture of seniority	Punishment in armed forces of not allowing a person to be promoted to a higher rank.
forfeiture order	Order that may be made in respect of a bank or building society account subject to an account freezing order . The law is Proceeds of Crime Act 2002 s303Z14 as inserted by Criminal Finances Act 2017 s16.
forfeiture period	<p>Period in which forfeiture may happen.</p> <p>The term is particularly relevant for forfeitable shares in an employee share scheme.</p>
forfeiture rule	<p>Rule in Forfeiture Act 1982. This prevents someone from benefitting from their own crime, such as inheriting from someone they have murdered.</p> <p>The law is amended by Estates of Deceased Persons (Forfeiture Rule and Law of Succession) Act 2011.</p> <p>This Act</p>
forged die	Die or similar item used to make false stamps to avoid stamp duty. Under Stamp Duty Act 1891 s16, an order may be made to search for such dies.
forged indorsement	For a bill of exchange, the implications are given in Bills of Exchange Act 1882 s60.
forgery	<p>Any document or item which is not what it seems and is intended to deceive. The nature of forgery is the falseness of the document or item. Currency is said not to be forged but counterfeit.</p> <p>Forgery can be a criminal offence.</p> <p>Forging a die used for stamp duties is a specific offence under Stamp Duties Management Act 1891 s13.</p>
forinsec	Relating to feudal service due to the lord's superior.
forinsecus	Latin: outside
forint	<p>Currency of Hungary.</p> <p>Gold coins for 4 to 500,000 forints may be regarded as gold investment coins for VAT purposes (VAT notice 701/12A).</p>

forjudge	Legal judgment of deprivation of a right.
fork out	Pay for. The term comes from the old slang use of "fork" meaning a finger, so forking out meant opening the hand.
form	(1) Structure or order, as in "form of words" or "in due form". (2) In gambling, the history of a horse or other subject matter of a bet. (3) In law, colloquialism for a criminal record.
Form A	For Customs duties, a form provided by a supplier to an importer of goods to claim a reduction under the Generalised System of Preferences .
form letter	Standard letter which can be sent out widely with small adaptations to the circumstances, such as a letter chasing payment or a letter from an auditor confirming account balances.
formal	Description of an arrangement or agreement which is designed to accord with laid down rules or procedures. A formal agreement is usually expressed in writing.
formal contract	Contract made under seal, as against a simple contract .
formal disclosure	Under Contractual Disclosure Facility (CDF) , a disclosure made by a taxpayer to HMRC when the taxpayer has been suspected of tax fraud. The formal disclosure requires: <ul style="list-style-type: none">• a certified statement of worldwide assets and liabilities• a certificate of bank accounts operated• a certificate of credit cards operated• a certificate of full disclosure.
formal documents	Documents which formally set out an agreement, policy, offer or similar, particularly in connection with a takeover bid.
formality	Step required by a procedure, particularly one which relates to the documentation of agreement rather than to its creation.
forma pauperis	Latin: in the character of a pauper. The term referred to someone unable to bring a lawsuit because he could not afford the legal fees.
format	Layout of data or information. In accounting, it is a list of items which may appear in a financial statement, setting out the order in which they are to appear. In computing, it is the arrangement of tracks on a disk or similar storage medium to make them ready to receive data.
formation	Act of creating a business or organisation.
former approved superannuation fund	Any fund which immediately before 6 April 1980 was an approved

superannuation fund for the purposes Income and Corporation Taxes Act 1970 s208, that has not been approved for the purposes of Chapter 1 Part 14 Income and Corporation Taxes Act 1988 since 5 April 1980, and has not received any contributions since 5 April 1980.

former civil partner

Person with whom someone was in a **civil partnership** which has subsequently been dissolved or annulled.

Such a person may make an application to the court in relation to property and financial matters under Civil Partnership Act 2004 s68.

former Companies Acts

“Means —

(a) the Joint Stock Companies Acts, the Companies Act 1862, the Companies (Consolidation) Act 1908, the Companies Act 1929, the Companies Act (Northern Ireland) 1932, the Companies Acts 1948 to 1983, the Companies Act (Northern Ireland) Act 1960, the Companies Act (Northern Ireland) Order 1986 (SI 1986/1032) and the Companies Consolidation (Consequential Provisions) Order 1996 (SI 1986/1035), and

(b) the provisions of the Companies Act 1985 and the Companies Consolidation (Consequential Provisions) Act 1985 that are no longer in force” (Companies Act 2006 s1171(1)).

Section 1171(2) defines Joint Stock Companies Acts.

former employee

“An individual who has ceased to hold an employment” (Income Tax (Earnings And Pensions) Act 2003 s562(1)).

former employer

“Means —

(a) the person under whom the **former employee** held the **former employment**,

(b) the person for the time being carrying on the whole or any part of the business or other undertaking for the purposes of which the former employee held the former employment,

(c) a person who is for the time being subject to any of the liabilities with respect to that business or other undertaking of the person mentioned in paragraph (a), and

(d) a person who is connected with a person falling within paragraph (a), (b) or (c)”

(Income Tax (Earnings And Pensions) Act 2003 s563).

former employment

“The employment which the **former employee** has ceased to hold” (Income Tax (Earnings And Pensions) Act 2003 s563).

former Inland Revenue matters

Matters that were administered by Inland Revenue and have now been transferred to HMRC on its formation in 2005. These matters are listed in Commissioners for Revenue and Customs Act 2005 Sch 1.

former long-serving farm worker

For annual tax on enveloped dwellings, this term is defined in Finance Act

2013 s149.

- formerly domiciled resident** In relation to deemed domicile “in relation to a tax year, means a person —
(a) who was born in the United Kingdom,
(b) whose domicile of origin was in the United Kingdom,
(c) who was resident in the United Kingdom for that tax year, and
(d) who was resident in the United Kingdom for at least one of the two years immediately preceding that tax year”
(Inheritance Tax Act 1984 s272(b) as inserted by Finance (No 2) Act 2017 s30(8)).
- former miner** Such a person may receive free coal, free smokeless fuel or an allowance in respect of such coal or fuel.
Under Income Tax (Earnings And Pensions) Act 2003 s646 such provision is free of income tax on the same basis as a **miner**.
- former name** Name by which a person was previously known.
For company directors, the **register of directors** must give include any former name by which a director was known for business purposes unless the name was changed before a person was 16 or has not been used for at least 20 years (Companies Act 2006 s163). Former name includes the **maiden name** of a married woman who has adopted her husband's surname.
- former officer, tribunal or body** Term used in Social Security Act 1998 s27(7) in relation to past decisions about social security.
- former parliamentary constituency** “Means an area which, for the purposes of parliamentary elections, was a constituency immediately before that date but is no longer such a constituency after that date” (Taxation of Capital Gains Act 1992 s264(1)(a).
There is a special tax relief for assets transferred as a consequence of a boundary change.
- forming part of a pre-26 November 1996 scheme** In relation to the disapplication of provisions relating to disposals under a finance lease, this term is defined in ITA s614BX(2).
- former spouse** In relation to pensions, “a person who may acquire accrued pension rights under a **pension share**” (CA 84 Stakeholders Pension Scheme Manual, published by HMRC).
- Form P45** “Means the form provided or approved for use in accordance with Regulation 36 (cessation of employment: Form P45), 38 (death of employee) or 39 (death of pensioner)” (PAYE regulations SI 2003 No 2682 reg 215(1)).
There is a separate definition for **parts 2 and 3 of Form P45**.
- Form P46** “Means the form provided or approved for use in accordance with regulation 46 (form P46 where employer does not receive P45 and code not known)” (PAYE regulations SI 2003 No 2682 reg 215).

This form is no longer used.

forte de mieux	French: for want of better.
for the avoidance of doubt	Term used in Acts of Parliament to confirm or clarify a legal position which is regarded as already the law though not clearly stated as such anywhere.
fortiter in re	Latin: firmness in action, being decisive.
Fortran	Computer language used in scientific work.
forty-niners	Miners who took part in the 1849 California gold rush.
fortuna	Latin: treasure trove.
fortune	Large amount of money or wealth.
Fortune 500	Annual list of the 500 wealthiest corporations published by <i>Fortune</i> magazine.
forum rei	Latin: forum of the thing. Court of the country where a dispute is heard.
forum shopping	Practice of choosing a country whose laws are most likely to produce the desired result in litigation.
forward	Relating to the future, as in a forward contract.
forward buying contract	Another term for a forward contract .
forward contract	Agreement to do something in the future, particularly to buy foreign currency.
forward cover	Arrangements to protect against the risk of a forward contract .
forward currency contract	Agreement to buy or sell currency at a predetermined price on a specified future date. This is the commonest form of hedging the risk from foreign exchange . The tax implications are discussed in the Inspectors' Manual at BIM39523.
forward dealing	Trading in instruments that relate to the future supply of commodities.
forward delivery	Delivery for an agreed future date, particularly under a contract.
forward exchange contract	An agreement to buy foreign currency at a fixed future date and at an agreed price.
forward margin	Difference between a current price and a future price.
forward market	Market for purchasing goods in the future, particularly in relating to commodities, oil and foreign currency.

forward pricing	Setting a price for forward dealing .
forward rate agreement (FRA)	Investment arrangement that is linked to future interest rates.
forward sales	Sales for delivery at a future date, particularly of shares, commodities and oil.
forward trading	Trading for delivery at a future date.
forward work programme	<p>Any statement of priorities for the coming period, particularly from a public body.</p> <p>The National Consumer Council is obliged to publish such a programme under Consumers, Estate Agents and Redress Act 2007 s5.</p>
forwarding address	Address to which a person's mail may be redirected, such as after a change of address.
forwarding agent	A person or company who is a specialist in customs procedures and the international carriage of goods, and acts on behalf of importers and exporters.
FOS	Financial Ombudsman Service.
fossick	Australian term meaning to undermine another person's attempt to mine gold.
fossil fuels	Oil and coal.
foster	Person who looks after a child without requiring any rights of a parent or guardian.
Foster, Arlene	Irish DUP politician (1970-) who was acting First Minister of Northern Ireland from 10 September 2015, a position she also held in 2010.
foster parent	<p>Person who looks after a child or children without acquiring any legal rights of guardianship.</p> <p>A foster parent may have class 3 national insurance contributions credited from 6 April 2010 under Social Security Contributions and Benefits Act 1992 s23A.</p> <p>In relation to residence nil rate band for inheritance tax, the term is defined in Inheritance Tax Act 1984 s8K(10) as inserted by Finance (No 2) Act 2015 s9.</p>
FOTRA	<p>Free of tax to residents abroad.</p> <p>This is category of gilts which is exempt from UK tax provided they are beneficially held by a person whose residence is outside the UK.</p> <p>For corporation tax, a definition is given in Corporation Tax Act 2009 s1280(1).</p>
FOTRA security	For loan relationship , term used in Corporation Tax Act 2009 s404.
fouage	Unpopular hearth tax imposed by England in France in 14th century.

foud	Bailiff or magistrate in Orkney and Shetland Islands.
foul bill of lading	Bill of lading which states that the goods arrived in a bad condition.
foundation	<p>In the USA, a private non-profit organisation with funds and a program managed by its own trustees and directors, established to further social, educational, religious or other charitable activities by making grants.</p> <p>A private foundation receives its funds from, and is subject to control of, an individual family, corporation or other group of limited number. In contrast, a community foundation receives its funds from multiple public sources and is classified by the IRS as a public charity.</p>
founder	Person who establishes an organisation.
founders' shares	<p>Ordinary shares subject to special conditions.</p> <p>These conditions may be either beneficial or adverse to the founder, though the former are usually designated as A shares. More commonly, founders' shares are ordinary shares which rank after other ordinary shares and are therefore the last valuable.</p>
four-ale	Old slang for a very cheap beer, originally sold at four pence per quart.
four-day order	Supplemental order of a court where a previous court has required an act to be performed but not specified the time. The time in the supplemental order is not necessarily four days.
four-flush	Four cards of the same suit in poker.
four-function calculator	Calculator that can add, subtract, multiply and divide but which cannot perform other mathematical functions such as square roots.
four-hours	Refreshment break taken in Scotland around 4pm.
Fourierism	Socialist system advocated by Charles Fourier (1772-1837).
four Rs	<p>Political theory that tax has up to four functions:</p> <ul style="list-style-type: none">• revenue: for public expenditure such as roads, health, education, justice and defence• redistribution: ensuring that poor citizens have adequate means of support• repricing: either forcing a change of behaviour (such as heavy taxes on tobacco to discourage smoking) or to address unfair practices, such as dumping of goods from overseas• representation: to make citizens feel they have the stake in the governance of their country.
Fourth Directive	This expression usually refers to the European directive on company law that requires all company accounts to be true and fair. This directive was introduced into English law by Companies Act 1981 and has subsequently been consolidated, although the concept of true and fair was introduced into

	English company law in 1947.
fourth market	Market of securities trading that does not involve brokers. It is mainly used by large investors and is computer based.
fourth quarter	The last three months of a particular year. In a calendar year, it is the period from 1 October to 31 December.
Fourth Republic	Government of France between 1946 and 1958.
fourth year claim	Claim made by a taxpayer seeking to establish status as being not ordinarily resident for a fourth consecutive year. In practice, such a claim is almost always doomed to failure.
four-weekly accounting period	In relation to life assurance premium relief, "means the period of 28 days commencing on 1 st January in a calendar year, and each succeeding period throughout the year being a period of 28 days, except that a period including 29 th February and the period commencing on 3 rd December shall be extended to 29 days" (Income Tax (Life Assurance Premium Relief) Regulations SI 1978 No 1159 para 2(1)).
Fowler, Norman	English Conservative politician (1938-) who was Secretary of State for Social Services from 14 September 1981 to 13 June 1987. He held many other government and shadow appointments.
fox	As a verb, an old colloquialism meaning to cheat.
FP	Fixed protection , on tax limits for pension contributions. The abbreviation is sometimes followed by a year, such as FP 2016.
FPA	Arithmos Forologikou Mitroou , Greek for "value added tax".
FPC	(1) Financial Planning Certificate. (2) Prefix for HMRC's tax manual on film production company.
FPCF	Finite population correction factor .
FPCS	Fixed profit car scheme .
FPI	Family and Parenting Institute .
FPN	Fixed penalty notice , for a motoring offence.
FPO	Fast Parcel Operator.
FPS	(1) Faster Payments Service . (2) Full Payment Submission . (3) Financial and professional services, seen as a business sector.

FPS easement	Concession whereby HMRC does not impose a penalty if a PAYE full payment submission is submitted no later than three days after the due date. The concession was introduced in 2015 with real time information. It was due to expire in April 2018, but has been extended to April 2019.
FR	(1) Country prefix code for France. (2) Fully reportable , under European Savings Directive.
FRA	Forward rate agreement.
FRAA	Flat rate accrual amount of State Second Pension.
fraction	(1) Number, usually less than 1, expressed as one number divided by another, as against a decimal . Thus $\frac{5}{8}$ and $\frac{2}{3}$ are fractions. (2) Colloquially, a small amount, as in "we received only a fraction of the replies we expected". This meaning is deprecated as imprecise: 99/100 is a fraction.
fraction bar	The small horizontal or diagonal line that separates two numbers in a fraction .
fractional bargaining	In human resources, bargaining that takes place at departmental or similar level, either as an alternative to collective bargaining, or to negotiate derogations from collective bargaining.
fractional certificate	A certificate for part of a share. Such a certificate cannot normally be issued in the UK.
fractionem diei non recipit lex	Latin: the law does not recognise a fraction of a day.
fragmented activities	Activities in relation to transactions in land for which there are special provisions in Corporation Tax Act 2010 from s356OH.
fragment identifier	In computing, a short string of characters that refers to a resource that is subordinate to a primary resource. It is indicated by the # hash sign in the URL .
Framework Convention on Tobacco Control (FCTC)	Convention produced by the World Health Organisation to control the supply of tobacco. The UK is a signatory to the convention.
Framework for Data Processing by Government	Document that may be prepared under Data Protection Act 2018 s191.
framework for the future relationship	In relation to Brexit, "means the document or documents identified, by the statement that political agreement has been reached, as reflecting the agreement in principle on the substance of the framework for the future relationship between the EU and the United Kingdom" (European Union (Withdrawal) Act 2018 s13(15)).

franc	<p>Currency of France before it adopted the euro in 2002. It adopted the currency in 1795. It remonetised its currency in 1960 when 1 new franc = 100 old franc, dropping "new" in 1963.</p> <p>It is still the currency in other countries, such as Switzerland.</p>
France	<p>European state which is a founder member of European Union, for which purpose Monaco is included, but these territories are excluded: Martinique, French Guiana, Guadeloupe, Reunion, and St Pierre and Miquelon.</p> <p>The currency is the euro of 100 cents.</p> <p>The UK has a double taxation convention of 2008.</p>
franchise	<p>Arrangement whereby an established business grants rights to another business.</p> <p>A common form of franchise allows an established business (franchisor) to allow another much smaller business (franchisee) the right to trade in the franchisor's name. The franchisor may provide training, products, marketing and other assistance. The franchisee may require an initial fee to set up the franchise and an annual fee thereafter. The annual fee is often a percentage of sales.</p> <p>For the purpose of tax, the annual fee is regarded as a revenue expense. The amount of the initial fee which relates to such items as stock is also regarded as a revenue expense. The amount which represents payment for the right to become a franchise is a capital expense.</p>
franchisee	<p>Person who operates a franchised operation</p>
franchisor	<p>Person who runs a business which allows others to use the name, and provides certain other services to franchisees.</p>
francus bancus	<p>Latin: free bench, an old legal right.</p>
frank	<p>Stamp or endorse, as in postage on an envelope.</p>
franked income	<p>Income on which tax has been paid, such as for a dividend.</p>
franked investment income (FII)	<p>Dividends that a company receives from other UK companies (excluding subsidiaries), plus (from 1 July 2009) most dividends from overseas companies.</p>
franking machine	<p>Machine that embosses envelopes to indicate that postage has been paid.</p>
frankpledge	<p>System of collective tithing in Anglo-Saxon times.</p>
Franks Committee	<p>Body which sat in the 1950s under Sir Oliver Franks to look into the operation of tribunals.</p>
fraud	<p>Crime of obtaining money by deception.</p> <p>From 15 January 2007, this is a statutory offence under Fraud Act 2006. Section 2(2) identifies three types of fraud:</p>

- fraud by **false representation**;
- fraud by **failing to disclose information**; and
- fraud by **abuse of position**.

The Act also creates the offences of possession of articles for use in frauds (ibid s6) and making or supplying **articles for use in frauds** (ibid s7).

The Act also creates the offence of participating in fraudulent business carried on by sole trader (ibid s9).

The Act increases the penalty for participating in a fraud carried on by a company from seven to ten years imprisonment (ibid s10). The latter offence is contained in Companies Act 1985 Sch 24.

The Act creates an offence of **obtaining services dishonestly** (Fraud Act 2006 s11).

An auditor is rarely engaged to report on fraud. If discovered, the auditor's position is as set out in International Standard on Auditing ISA 240.

Fraud Compensation Fund	Fund established under Pensions Act 2004 s188 to compensate victims of pension fraud.
fraud compensation levy	Levy which may be imposed on occupational pension schemes under Pensions Act 2004 s189 to fund the Fraud Compensation Fund .
fraud compensation payments	Payment which may be made from Pension Protection Fund when fraud or similar offence has been committed (Pensions Act 2004 s182).
Fraud Investigation Service (FIS)	A body that investigates social security fraud .
fraud on a power	Old offence of using a power to one's own advantage. Under modern fraud law, this is now abuse of power .
fraud on the minority	Improper action of majority of shareholders to the disadvantage of minority holders.
fraudulent	Designed to cheat people of money.
fraudulent conveyance	<p><i>UK law regarding land</i></p> <p>Transfer of land without consideration with a view to defrauding a subsequent purchaser. Under Law of Property Act 1925, an innocent purchaser may have the purchase set aside.</p> <p><i>US law regarding insolvency</i></p> <p>Payment made by a bankrupt person or business in a period up to three months before the insolvency. The period is two years before the insolvency under federal law, though states may impose a longer period.</p> <p>Payments made in the last three months are called preference payments. Payments made earlier in the period are fraudulent conveyance. Recovery of such conveyance usually requires a court hearing.</p>

fraudulent misrepresentation	<p>Misrepresentation which a person makes knowingly, or without believing it to be true, or who is reckless or careless as to whether the representation is true (<i>Derry v Peek [1889]</i>).</p> <p>Fraudulent misrepresentation allows the other party to void the contract and to claim damages.</p> <p>Such misrepresentation is also actionable as the tort of deceit, and may also be the crime of fraud.</p>
fraudulent misrepresentation	<p>Offence of deliberately making a false statement as a means of dishonestly obtaining money from a customer.</p>
fraudulent preference	<p>In US insolvency law, when a bankrupt person or business pays some creditors in preference to others.</p> <p>Federal law regards payments of two years before insolvency as fraudulent preference, though individual states may extend that period. Payments in the three months before insolvency are called preference payments and are recovered under a fairly simple procedure. Earlier payments are called fraudulent conveyance and often involve court action.</p>
fraudulent trading	<p>Criminal offence when a business is set up for fraud (Insolvency Act 1986 s213).</p> <p>It is also an offence under company law (Companies Act 2006 from s993).</p>
fraud unravels all	<p>Legal expression meaning that a fraud generally has the effect of undoing whatever arrangement for which it was used. There are a few exceptions. For example, a certificate of incorporation of a limited company remains valid even if obtained by fraud.</p>
fraus est celare fraudem	<p>Latin: it is a fraud to conceal a fraud.</p>
fraus pia	<p>Latin: pious fraud.</p>
FRB	Future Revenue Benefit.
FRC	Financial Reporting Council.
FRED	Financial Reporting Exposure Draft.
Freddie Mac	<p>The popular name for the Federal Home Loan Mortgage Corporation (FHLMC).</p> <p>The body was set up in 1970 by the US federal government to expand the secondary market for mortgages in the USA. On 7 September 2008, the body, with Fannie Mae, were in effect nationalised after they got into serious difficulties.</p>
free	<p>(1) At a price of zero; when something is given away. (2) With no restrictions, as in "free trade" or "tax-free". (3) Not imprisoned.</p>

free agent	Someone who is not restrained in their actions and decisions.
free asset ratio (FAR)	Another name for working capital ratio or acid test.
free assets	<p>In relation to non-resident insurance companies, “means the amount by which —</p> <ul style="list-style-type: none">(a) the value of assets of the permanent establishment, exceeds(b) the aggregate of the permanent establishment’s loan capital and technical provisions; <p>and for this purpose, the reinsurer’s share of technical provisions is not to be included in determining the assets of the permanent establishment” (Non-Resident Insurance Companies Regulations SI 2003 No 2715 reg 3(2)).</p>
free assets amount	Term used in taxation of insurance companies. It means “the excess of the value of the company’s long-term business” over its liabilities of that business plus relevant money debts and shareholders’ excess assets (Income and Corporation Taxes Act 1988 s431(2)).
free association	In psychology, a technique which encourages a person to speak of whatever comes into his head regardless of whether it makes sense or not. This is intended to analyse subconscious thoughts.
free banking	Terms between a bank and its customer whereby no charge is made for operating the account or for normal transactions. In practice, such “free banking” is funded by heavy charges for unauthorised overdrafts, dishonoured cheques and the like.
free bench	Legal term for the old right of a widow to an interest in a copyhold estate. It was abolished in 1922. The Latin is francus bancus.
freeboard	Vertical distance amidships from the upper edge of the deck line to the upper edge of the load line mark.
freebooter	Pirate or similar adventurer who plunders others’ goods.
free cash flow	Amount of cash a business has at its disposal at a particular time, when allowing for all debts and expenses, including investments.
free churches	Churches of non-conformist traditions that are free of state control, such as Methodist and Baptist churches.
free circulation	Goods are in Free Circulation if they are wholly produced in the European Union (EU), unless they are Common Agricultural Policy (CAP) goods on which an Export Refund has been claimed. Goods imported from outside the EU are in Free Circulation if all import formalities have been completed and all Customs charges have been paid and not refunded, wholly or in part.
free company	Medieval mercenaries available for any work.

free competition	When businesses are allowed to compete without interference from the government.
free coup	Place in Scotland where rubbish may be dumped free of charge.
free cover level	The maximum amount of benefit for which an insurance company is prepared to insure a member of a group insurance scheme without the member needing to provide evidence of good health.
free currency	Currency which may be bought and sold without restriction or interference from the government which issues it.
freecycle	Give away something for it to be reused.
freedom of information	Right of an individual to know information held by a public authority. The right is contained in Freedom of Information Act 2000. HMRC's responsibilities under this Act are set out in Commissioners for Revenue and Customs Act 2005 s23.
free enterprise	System of business which is without government interference.
freedom of encumbrance	Freedom of property from rights of anyone other than the owner.
Freedom of Information Act (FOIA)	Statute of 2000 that provides the citizen with a right to obtain information from any public body unless specifically excluded.
freedom of testation	Right of a person to write he or she wishes in a will.
free float	Percentage of a public company's shares that are available for the public to buy, as against shares held by the company itself such as in a company trust or directors' holdings.
freehold	Ownership of land and all that is on it, under it and over it.
free house	Pub that is not tied to a brewery and may sell any beer it wishes.
free issue	Issue of shares to existing shareholders in ratio to their existing holdings.
freelance	Person who acts independently in providing services. Such a person is usually taxed as being self-employed .
free movement	Movement of goods, people, capital and services without undue restriction.
free of tax	Expression that denotes an amount after tax has been paid. This usually requires the amount to be grossed up . For example, a person subject to 20% income tax who is to be paid £100 free of tax, would have the sum grossed up by 25% to £125, on which 20% is £25 tax, so he receives £100.

free of tax to residents abroad (FOTRA)

Range of **gilt**s which are exempt from UK inheritance tax if beneficially held by a person whose ordinary residence is outside the UK.

free on board (FOB)

Description of a price which includes the cost of placing the goods on board a ship.

The term applies to a contract of sale where the seller pays the shipping costs. The goods are regarded as having been delivered to the buyer once they are on board. The buyer then bears the risk for such perils as being lost at sea.

free pay

Term once used for the amount of pay on which an employee paid no tax as indicated by their **tax code**. The term is now replaced by **pay adjustment** following the introduction of **K codes** where the amount otherwise known as free pay is *added* to gross pay.

“Means the appropriate amount, established from an employee’s code (where not used on the cumulative basis) and the tax tables, to be subtracted from relevant payments to arrive at taxable payments (and accordingly represents an appropriate part of reliefs allowed against those payments)” (PAYE Regulations SI 2003 No 2682 reg 2(1)).

freephone

Name for **toll-free telephone numbers** where the cost of the call is billed to the person being called and not to the caller. In the UK such numbers usually start 0800.

free play

Amusement machines

When a winner on an amusement machine is allowed a further go without charge as a prize for achieving a high score.

For the purposes of **amusement machine licence duty**, the facility of offering a free play does not in itself make a machine a prize machine. So pinball machines and similar machines that offer free plays as prizes do not come within the scope of the duty.

Remote gaming duty

For the purposes of remote gaming duty, a freeplay is treated as if the player had paid the amount which has been waived. This provision applies from 1 August 2017. The provisions are set out in Finance Act 2014 s159(4) as amended by Finance (No 2) Act 2017 s46.

[In this Act, “freeplay” is given as one word.]

Free Representation Unit (FRU)

Body that arranges pro bono work for barristers.

free reserves

Part of the reserves of an organisation which are not allocated or required for any particular purpose, and which the organisation may therefore use as it wishes. The term particularly applies to the amount a bank may have above those required by its regulatory body.

free schools	<p>“Free Schools are all-ability state-funded schools set up in response to what local people say they want and need in order to improve education for children in their community” (Department of Education website).</p> <p>The first such schools opened in September 2011.</p>
free spending	<p>When expenditure is not governed by a budget, which is known as budgetary control.</p>
Free Standing Additional Voluntary Contributions (FSAVC)	<p>A scheme whereby an individual can make payment into an independent arrangement to supplement an occupational pension scheme as long as the anticipated benefits from the two schemes together are less than the maximum permitted under the rules laid down by the Inland Revenue. For example, if the limit was 15% of the income, and the employer and employee contributed 10%, the employee could contribute another 5%.</p>
free-standing transfer	<p>Term used in relation to pre-completion transactions for SDLT. The term is explained in Finance Act 2013 Sch 13 paras 9-11.</p> <p>It applies when there is a contract between A and B for the transfer of property, and a separate contract between B and C for the transfer which was made before completion. Such a transaction may qualify for sub-sale relief.</p>
free trade	<p>System whereby goods may be bought and sold without government interference. The term particularly applies to trade between different countries.</p>
free trade area	<p>Group of countries which have agreed that goods may be sold between them without government interference.</p>
free trade zone	<p>Group of countries which have agreed that goods may be sold between them without the imposition of any Customs duties or import duties.</p>
free trader	<p>Person who believes in free trade.</p>
free trial	<p>Period during which a customer is allowed to use goods or services with a view to possibly buying them.</p>
freeview box	<p>Box which connects to a television set allowing some digital channels to be received without any further payment.</p>
freeware	<p>Software that is made available free of charge, often by hobby programmers or those who wish to establish a reputation. Much freeware comprises games and novelties, but there are some useful business programs available. Freeware is usually downloaded from specialist websites.</p>
free warehouse	<p>Warehouse in a free zone where goods may be held without payment of customs duty or VAT.</p>
freewill offering	<p>Voluntary gift to a church, charity or similar body.</p>

freeze	Restriction on increasing an amount, such as when wages, prices, dividends or pension fund are not allowed to increase.
freeze bank	American term for a refrigerated stock of perishable goods, particularly human organs. The quality of the refrigeration affects the value of the goods.
freezing an account	Court order preventing a person drawing money from a bank account or similar.
freezing order	<p><i>Pensions</i></p> <p>Order which the Pension Regulator may serve on a final salary (or defined benefit) occupational pension scheme under Pensions Act 2004 s23. The order has the effect of preventing any benefits accruing and prevents any winding up.</p> <p>An order may have additional provisions about not permitting new members or not allowing contributions or payments to be made. The order is made while consideration is given as to whether to wind up the scheme.</p> <p><i>Court order</i></p> <p>Order a court may serve on a person preventing them from transferring assets abroad.</p> <p>Such an order was previously known as a Mareva injunction.</p>
free zone	<p>A designated and approved area where imported goods may be stored without payment of VAT or import duty.</p> <p>It is created under Customs and Excise Management Act 1979 s100A. The VAT provisions are given in Value Added Tax Act 1994 s17.</p>
free zone goods	Goods within the designated free zone area which have met the necessary requirements to gain free zone status.
free zone manager	The company authorised in the designation order as the responsible authority for controlling the free zone .
freight	Cost of transporting goods. The word sometimes refers to the goods being transported.
freight cost	Amount paid to transport goods.
freight forward	Deal whereby the customer pays for his goods to be delivered.
freight forwarder	An intermediary who arranges for the carriage of goods and/or associated services on behalf of a shipper, importer or exporter.
Freight Transport Association (FTA)	Body which represents the transport interests of companies moving goods by road, rail, sea and air.
freightage	Cost of transporting goods.

French leave Old term for absence from work without permission.
[The French returned the compliment with their equivalent expression of *s'en aller à anglaise*.]

French roulette This game is specifically listed in Betting and Gaming Duties Act 1981 s13(3) as coming within the scope of **gaming licence duty**.

French war taxes Taxes levied from 1522 by a specially recalled Parliament (which had not sat since 1515) to fund the war with France.

frequency How often something happens.
The frequency of a type of transaction, such as selling a car, can indicate the existence of a trade.

frequency of conversion In financial mathematics, the number of times that interest is added to a principal sum.
The greater the frequency, the greater is the effective interest rate. For example if a 5% annual rate is added twice a year, after six months a principal of £1000 would have £25 added. For the latter six months, 2.5% would be added to £1025, giving £1050.63. By adding interest twice, the annual rate of 5% has become an effective rate of 5.063%.

The table below shows a selection of other effective interest rates for different numbers of additions per year:

annual	2	3	4	5	6	7	8	9	10	11	12
1	1.002	1.006	1.010	1.014	1.018	1.022	1.027	1.032	1.037	1.041	1.046
2	2.000	2.000	2.000	2.001	2.001	2.001	2.002	2.003	2.003	2.004	2.005
3	3.023	3.045	3.069	3.092	3.116	3.140	3.165	3.190	3.216	3.241	3.268
4	4.054	4.109	4.166	4.225	4.286	4.349	4.414	4.482	4.551	4.623	4.698
5	5.095	5.194	5.297	5.406	5.519	5.637	5.761	5.892	6.028	6.173	6.324
6	6.146	6.301	6.464	6.637	6.820	7.014	7.220	7.440	7.675	7.926	8.195
7	7.208	7.431	7.668	7.922	8.195	8.489	8.805	9.148	9.521	9.926	10.370
8	8.281	8.584	8.911	9.266	9.652	10.073	10.534	11.042	11.604	12.229	12.927
9	9.364	9.761	10.195	10.671	11.196	11.778	12.426	13.152	13.972	14.904	15.973
10	10.459	10.963	11.521	12.142	12.836	13.618	14.504	15.516	16.685	18.048	19.658
11	11.564	12.191	12.893	13.683	14.581	15.608	16.794	18.180	19.820	21.789	24.196
12	12.680	13.445	14.311	15.300	16.439	17.766	19.331	21.202	23.478	26.305	29.904

frequency of reporting How often an entity produces accounts.
FRS 102 section 3.10 requires accounts “at least annually”.
If accounts are prepared for a period other than a year, the same para requires the accounts to disclose:

- that fact
- the reason for using a different period
- the fact that comparative figures are not directly comparable.

frequent absences For statutory sick pay, frequent short absences for sickness. An employer may seek advice from Medical Services as explained in HMRC booklet E14. While

the matter is being investigated, statutory sick pay must continue to be paid to an eligible employee.

freshwater fish

For VAT purposes, fish for eating are zero-rated but ornamental and coarse fish are standard-rated. VAT notice 701/15 zero-rates eels, salmon, trout and "other fish recognised as food for human consumption". It standard-rates bream, perch, pike, carp and tench.

"Freshwater fish does not include fish of the **salmon family**, or any kinds of fish which migrate to and from tidal waters, but save as aforesaid includes any fish living in fresh water" (Diseases of Fish Act 1937 s10).

Freud Report

Government welfare report of 2007 entitled *Reducing Dependency, Increasing Opportunity*. It advocated large-scale marketisation of employment services.

FRF

Farming Recovery Fund.

fridge

Abbreviation of **refrigerator**.

friendly alien

An **alien** who is not an **enemy alien**. The term basically means a citizen of any non-UK country with which Britain is not at war.

friendly society

Body which is similar to a mutual insurance company. A Friendly Society, registered under the terms of the Friendly Societies Act 1974 or 1992 (or predecessor legislation), is owned and operated for the benefit of its members. There are limits on the amounts which can be invested by members but tax privileges are available to policies within those limits. Some Friendly Societies now operate with separate sections for 'tax-exempt' and 'ordinary' business.

Their tax provisions are set out in Income and Corporation Taxes Act 1988 ss459-466.

Life assurance provisions are given in SI 1977 No 1143.

friendly suit

Legal action between two people who are not in dispute but need the guidance of the court.

friendly takeover

Takeover that is supported by the directors of the target company.

friend of the court

Legal term for someone not connected with a case but who points out some matter that the court may otherwise overlook.

friends group

Body set up to help another body (such as a church or school) but which is legally independent of that other body. Its funds are therefore not aggregated with the other body.

friggatriskaidekaphobia

Fear of Friday the 13th, according to Wikipedia.

[The term has little to do with tax, but seems a fun word to include!]

fringe benefit

Something provided by an employer to an employee as a benefit additional to salary. Most such benefits are taxable as a **benefit in kind**.

frippery	Worthless item. A fripper was originally a seller of old clothes.
FRN	Floating rate note.
frogskin	Slang for money, possibly in allusion to the green colour of old pound notes.
from	<p>In accounting, this common preposition includes the first number or date, so "from 1 July 2011" includes 1 July 2011, whereas "after 1 July 2011" means from 2 July 2011.</p> <p>In law, this usage is less precise. In the case <i>Cartwright v Cormack [1963]</i>, the first day was held to be excluded. To avoid ambiguity, many statutes and legal documents have precise phrases such as "on or after 1 July 2011".</p>
front	<p>(1) Start, such as of a contract period, and used in expressions such as "payment up front".</p> <p>(2) Side of a building which contains the main entrance or is visible from the street.</p> <p>(3) False persona assumed by a person to conceal their real nature.</p>
frontager	Person who owns land that abuts a highway, river or shore.
front and load	Charges paid by an investor at the start of the period of investment. The charge deters asset turnover.
front bench	Spokesman for a political party, so-called because he sits on a front bench in Parliament.
front end	Description of the beginning of a period, particularly of insurance or investment.
front end loaded	Description of an insurance or investment scheme where most of the charges are made in the early period.
front-ended	Description of a tax relief that is given straight away, as against a back-ended relief which is given later, such as on the disposal of an asset.
frontier	Any place where goods are still to be notified formally to HM Customs and Excise by placing them under a nominated customs procedure.
front money	In gambling, facility agreed in advance between the player and the gambling establishment to establish the player's credit.
front pay	American term for money paid to a victim of discrimination.
front running	<p>A form of insider dealing that may be practised by large stockbrokers and other investment bodies.</p> <p>It involves looking at the deals going through to see how they will influence the markets, and then first putting through one's own deals that will</p>

benefit from those of clients'.

frozen

Accounting

Description of an amount which is not allowed to increase or decrease.

VAT on food

For VAT on food, frozen simply means below zero degrees Centigrade. The product does not have to be solid.

This decision was made in *Meschia's Frozen Foods. Ch D [2000] STC 1*. The product (frozen yogurt) was supplied at between -1C and -5C but did not solidify because of its high viscosity.

frozen account

Account whose amount is not allowed to increase or decrease.

In relation to terrorist assets, this means "an account with a relevant institution which is held or controlled (directly or indirectly) by a designated person" (Terrorist Asset-Freezing etc Act 2010 s16(5)).

The term also has a specific meaning in Proceeds of Crime Act 2002 s303Z14(1) as inserted by Criminal Finances Act 2017 s16.

frozen assets

Assets which cannot be sold, usually because there is a legal process in hand whereby someone is making a claim against them.

frozen credits

Credits in an account which cannot be moved.

frozen food

For VAT, food that is sold frozen but must be thawed before eating is zero-rated as food. Food that is sold to be eaten while frozen (such as ice cream) is generally standard-rated. The exact scope is set out in VAT notice 701/14.

frozen pension

Pension entitlement where the amount does not increase and whose value in real terms therefore reduces each year by inflation.

Before 1 July 1988, an **early leaver** in an occupational pension scheme had a frozen pension whose value when he eventually retired could be much less than when the scheme was frozen. Since 1 July 1988 the benefits of such a **deferred member** must be uplifted each year by the lower of inflation and 5%. It is still possible to encounter frozen pensions overseas.

frozen yogurt

This is standard-rated when sold to be eaten while frozen. It is excluded from the zero-rating of food by Value Added Tax 1994 Sch 8 Group 1 Excepted Item 1. If sold frozen but with the intention of being thawed out to eat at room temperature, it may come within the scope of zero-rated food.

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

FRRP

Financial Reporting Review Panel

FRS

Financial Reporting Standard.

This abbreviation is used for two series of standards. It is currently used for standards numbered from FRS 100 for use for accounting periods that start from 1 January 2015. It is also used for the standards numbered FRS 1 to FRS 30 that were previously issued and have now been replaced.

FR Scheme	Flood Reinsurance Scheme (Water Act 2014 s64(6)).
FRSSE	Financial Reporting Standard for Smaller Enterprises. The abbreviation is sometimes pronounced as “frizzy”.
FRU	Free Representation Unit.
fructus industriales	Latin: fruits of industry. Crops which are the result of human effort, such as cereals and potatoes. The tax implication is discussed in the Inspectors' Manual at BIM35410.
fructus naturales	Latin: fruits of nature. A description of crops which grow naturally such as grass and timber. The tax implication is discussed in the Inspectors' Manual at BIM35410.
fruit and flowers	Euphemism on an expense claim form for something illicit, such as drugs.
fruit and nut mixtures	Raisins, peanuts and coconut chips are zero-rated; banana chips and pineapple pieces are standard-rated. Where they are supplied together, the VAT should be apportioned (<i>Smiths Foods Ltd [1983] VTD 1346</i>). HMRC now accepts that the whole packet may be zero-rated if the standard-rated items comprise less than 25% of the mixture's weight. Further guidance is given in VAT notice 701/14.
fruit bar	Edible bar whose main ingredient is pulped fruit. The issue was litigated as to whether they were confectionery, which in turn depended on whether confectionery needs additional sweetening. Eventually the High Court ruled that it does not. So fruit bars were confectionery and standard-rated for VAT (<i>HMRC v Premier Foods (Holdings) Ltd. Ch D [2008] STC 176</i>).
fruit juices	For VAT, these are standard-rated. They are specifically exempted from the scope of zero-rating for food by Value Added Tax 1994 Sch 8 Group 1 Note 3. The addition of fruit juice to a soft drink is not taken to add sugar for the purposes of soft drinks industry levy (Finance Act 2017 s27(3)).
fruit machine	Gambling machine where a lever is pulled to set wheels spinning. If they stop with the same picture of fruit appearing across the wheels, the player wins a multiple of his stake. Some other symbols were used, including a bell on machines made by the Bell Fruit company. The early machines not only used fruit pictures but dispensed small pieces of fruit as prizes.
frumentation	Practice in Ancient Rome of giving large amounts of grain to starving people.
frusta legis auxilium quaerit qui in leges committit	Latin: he who offends against the law vainly seeks the help of the law.
frustration	In law, the situation where a contract cannot be completed because of an eventuality outside the control of either party. This is a principle of common law and Law Reform (Frustration of Contracts) Act 1943. Frustration has the effect of voiding a contract, putting the parties back

in the position as if they had not contracted at all. This usually means that any money paid by one party to the other must be repaid.

FRY	Final relevant year.
F&S	Fox and Smith's law reports.
FSA	Financial Services Authority.
FSAVC	Free-standing additional voluntary contribution.
FSAVCS	A registered pension scheme that was originally approved by the Board before 6 April 2006 as a retirement benefits scheme by virtue of section 591(2)(h) Income and Corporation Taxes Act 1988, established by a pension provider or the trustees of an approved centralised scheme for non-associated employers to which the employer does not contribute and which provides benefits additional to those provided by a scheme to which the employer does contribute.
FSC	(1) Financial Securities Centre. (2) Fire-safe cigarette.
FSCS	Financial Services Compensation Scheme.
FSD	Final Supplementary Declaration.
FSMA	Financial Services and Markets Act 2000.
FSR	Fleet Street Reports, series of law reports from 1963.
F Supp	Federal Reporter Supplement, series of US law reports.
FT	Financial Times
FT 30 Index	The ordinary share index produced by the Financial Times based on a representative sample of 30 leading UK companies, not necessarily the largest. The index was started in 1935, making it the oldest continuous share index in the UK, and one of the oldest in the world. It was the main index until the FTSE all share index was produced in 1962 and FT-SE 100 index in 1984.
FTA	(1) Freight Transport Association (2) Federation of Tax Administrators (3) Free trade agreement.
fte	Full time equivalent.
FTE	(1) Full time employment. (2) First Time Exporters

FTE employee number	<p>For the definition of a knowledge-intensive company for enterprise investment scheme and other schemes, this term is defined in Income Tax Act 2007 s252A as inserted by Finance (No 2) Act 2015 Sch 5.</p> <p>For venture capital trusts, the same definition is used in Income Tax Act 2007 s331A as inserted by Finance (No 2) Act 2015 Sch 6.</p>
FTE group employee number	<p>For the definition of a knowledge-intensive company for enterprise investment scheme and other schemes, this term is defined in Income Tax Act 2007 s252A as inserted by Finance (No 2) Act 2015 Sch 5.</p> <p>For venture capital trusts, the same definition is used in Income Tax Act 2007 s331A as inserted by Finance (No 2) Act 2015 Sch 6.</p>
FTE group skilled employee number	<p>For the definition of a knowledge-intensive company for enterprise investment scheme and other schemes, this term is defined in Income Tax Act 2007 s252A as inserted by Finance (No 2) Act 2015 Sch 5.</p> <p>For venture capital trusts, the same definition is used in Income Tax Act 2007 s331A as inserted by Finance (No 2) Act 2015 Sch 6.</p>
FTE skilled employee number	<p>For the definition of a knowledge-intensive company for enterprise investment scheme and other schemes, this term is defined in Income Tax Act 2007 s252A as inserted by Finance (No 2) Act 2015 Sch 5.</p> <p>For venture capital trusts, the same definition is used in Income Tax Act 2007 s331A as inserted by Finance (No 2) Act 2015 Sch 6.</p>
F test	<p>In statistics, a test to compare variance in two samples. For example, has an increase in interest rates affected business A over business B.</p>
FTII	<p>Fellow of the Chartered Institute of Taxation.</p>
FTLR	<p>Financial Times Law Reports, published from 1986 to 1988.</p>
FTP	<p>File Transfer Protocol, in computing.</p>
FTR	<p>Film tax relief.</p>
FTRS	<p>Full Time Reserve Service (in armed forces).</p>
FTSE	<p>An index compiled by the Financial Times that is made up of all the companies listed on the UK Stock exchange (over 800). The abbreviation is pronounced Fotsie. It started in 1962.</p> <p>The purpose of the index is to provide a benchmark of the performance of the stock market as a whole. This benchmark is often used to measure the effectiveness of a fund manager.</p>
FTSE-100	<p>Index of the stock market prepared by the Financial Times based on the value of shares for the 100 leading UK companies. It was formed in 1984 with a base of 1000.</p>

FT-SE 250	Index of the stock market for companies from 101 to 350 on the list of largest. Note that it is <i>not</i> the 250 largest companies.
FT-SE 350	Combined index of FT-SE 100 and FT-SE 250, giving an index of the largest companies.
FTSE Fledgling	Index produced by the Financial Times of companies listed on the London Stock Exchange that are too small to qualify for the All Share index.
FTSE Small Cap	Index produced by the Financial Times of companies included in the FTSE Actuaries All Share Index but which are not in the FT-SE 350 list.
FTT	First tier tribunal, or First Tier Tax Tribunal.
FTWA	Full-time working abroad.
FUD	Fear, uncertainty and doubt. Three negative factors in marketing.
fuel	Domestic fuel in the form of gas, electricity and oil qualifies for the reduced rate of VAT (Value Added Tax 1994 Sch 7A Group 1).
fuel benefit	Another term for car fuel benefit , when an employee is provided with petrol or other road fuel for private use.
fuel duties	Term used in tax law for the excise duties on hydrocarbon oils when used as road fuel. The law is Hydrocarbon Oil Duties Act 1979.
fuel duty stabiliser	Mechanism to reduce the duty on road fuel when the price of raw material rises, and vice versa. This would reduce the fluctuations in petrol and diesel prices. It was proposed in 2010 but never enacted.
fuel for private use	There are VAT provisions when an employer pays for the employee's private fuel on which the employer has recovered input tax (Value Added Tax Act 1994 s56).
fuel oil	Heavy oil which contains in solution an amount of asphaltenes of not less than 0.5%, or which contains less than 0.5% but not less than 0.1% of asphaltenes and has a closed flash point not exceeding 150°C (Hydrocarbon Oil Regulations SI 1973 No 1311 reg 2).
fuel poverty	Inability of a person to afford to buy sufficient fuel for a reasonable life. The government may make schemes to address fuel poverty under Energy Act 2010 s9. Other provisions include the winter fuel allowance and cold weather payments .
fuel substitute	Anything used in place of a hydrocarbon oil as a motor fuel. A fuel substitute bears the same rate of excise duty as the fuel it replaces (Hydrocarbon Oil Duties Act 1979 s6A). A fuel substitute is subject to hydrocarbon oil duty on the basis of the hydrocarbon oil to which they are most equivalent and most used as a

substitute (Hydrocarbon Oil Duties Act 1979 s6A and Other Fuel Substitutes (Rates of Excise Duty Etc) Order 1995 s4.

Substitutes are also governed by Other Fuel Substitutes (Rates of Excise Duty Etc) Order SI 1995 No 2716.

fugam fecit

Latin: he has made flight.

Fugger

Family of wealthy German merchant bankers of 16th and 17th centuries. The term has come to mean a wealthy person.

fugitive offender

Person who has committed an offence in another country, particularly a Commonwealth country or British dependency.

fulfilment house due diligence scheme (FHDDS)

Scheme for businesses that store goods imported from outside the European Union. Such a business must register with HMRC under the scheme.

Businesses that were trading before 1 April 2018 were required to register by 30 June 2018. Businesses that started trading on or after 1 April 2018 are required to register by 30 September 2018.

A business that comes within the scheme's criteria but has not registered is not able to trade as a fulfilment business from 1 April 2019. It also faces a £10,000 fine and risks a criminal prosecution.

full age

Age at which a person is legally regarded as an adult.

From 1 January 1970, this has been at the age of 18 (Family Law Reform Act 1969 s1). Previously, the age was 21.

fullams

Loaded dice.

full birth certificate

Certificate providing full details of a person's birth, as against a **short birth certificate** which provides just a summary.

full code test

In the CPS' Code for Crown Prosecutors, the test on whether to prosecute.

The test has two stages:

- the **evidential stage**
- the **public interest stage**.

full container load (FCL)

Quantity of imported goods that fills at least one whole shipping container.

This is a factor in calculating the **VAT adjust element** of the delivery element of the cost of importing goods.

full cover

In insurance, description of a policy which covers all risks.

full-employment equilibrium

Economic term for the level of national income at which everyone who wants to work can do so.

Classical economists argue that the economy automatically tends to this equilibrium. Keynesians argue that it is the role of government policy to produce this equilibrium

full endowment	Endowment policy in which the savings element is increased so that the plan is guaranteed to repay the underlying loan.
full export declaration	Detailed declaration made in respect of exported goods. The declaration is made electronically to Customs under the National Export System .
full faith and credit	Unconditional commitment to meet the payment of interest and repayment of principal of a bond issued by a government body.
full gender recognition certificate	Certificate which conclusively re-registers a person under an acquired gender (Gender Recognition Act 2004 s25). There are interim and full certificates.
full house	(1) In theatres and similar establishments, when all tickets have been sold for an event and revenue is therefore maximised. (2) In gambling, a five card hand consisting of trips and a pair .
full indexation	Where a figure increases in line with an index regardless of how large that increase is. This applies particularly to index-linked pensions and some forms of savings, such as National Savings. Where a figure increases by an index but only to a predetermined limit, this is known as limited price indexation (LPI) . An example is LPI providing RPI-indexation to a limit of 5%. If the RPI increases by 3%, the pensioner receives 3% indexation. If the RPI increases by 6%, the pension receives only 5% indexation.
full licence	Licence which is not provisional, particularly for driving a motor vehicle.
full payment submission (FPS)	Monthly or quarterly return that must be submitted with every PAYE payment under Real Time Information . This requires a full analysis of how much each employee has been paid and how much tax and national insurance has been deducted.
full price	Price with no discounts offered.
full production costs	All the costs of producing an item, including all fixed and variable costs.
full rate	Full charge for a service with no discount.
full repairing lease	Lease of property on terms whereby the tenant must pay all costs for keeping the property in good repair.
full scale	Of the full size, as against a small scale or trial project.
full service area	Part of the country where a new claim for universal credit may be made. These areas are being progressively increased as universal credit is rolled out. The government website states which areas are included.

full service banking	Banking which offers a comprehensive range of other financial services.
full service broker	Broker who offers the whole range of services, including financial advice.
full-service factoring	Debt factoring where the factor takes over the whole administration of the sales ledger.
full structural	Description of a detailed survey of a property.
full tax benefit	Term used in relation to group mismatch schemes (Corporation Tax Act 2010 s938G(3)).
full time	Description of employment which relates to the complete range of working hours, usually at least 30 hours a week.
full time education	For social security, a condition that may have to be met to claim a particular benefit. The conditions are usually that person is under the age of 19 and attends a course of education for at least 21 hours a week.
full-time employee	For the purposes of loans for employee-controlled companies, the term means "an individual the greater part of whose time is spent working as an employee or director of the company or of a 51% subsidiary of the company" (Income Tax Act 2007 s396(5)).
full time equivalent (fte)	Method of counting the size of the workforce, particularly when it includes part-timers. Each part-timer is counted as a fraction of a full time worker, so someone who works three days out of five counts as 0.6. These fractions may be added to give the fte figure for a department or organisation.
full-time minister	In relation to accommodation expenses, means "a person in full-time employment as a minister of a religious denomination" (Income Tax (Earnings And Pensions) Act 2003 s290(5)).
full-time work	Term used in connection with eligibility for certain social security benefits. For employment support allowance , the term means working for at least 24 hours a week.
full-time working director	For the purpose of calculating the tax on benefits in kind, "a director who is required to devote substantially the whole of his time to the service of the company in a managerial or technical capacity" (Income Tax (Earnings And Pensions) Act 2003 s67(3)).
full-time working farmer	Condition that allows land to qualify for 100% agricultural property relief from inheritance tax where land has been continuously let from before 10 March 1981, under the provisions of Inheritance Tax Act 1984 s116(2)(b).
full transfer pricing adjustment	Term used for diverted profits tax and defined in Finance Act 2015 s83(3).

fully diluted earnings per share	Earnings per share calculated on the basis that all options to buy shares have been fully exercised.
fully insured plan	American term for a pension or employee benefit scheme where the employer contracts with another organisation to accept financial responsibility.
fully invested	When all the money in a portfolio is invested, leaving no cash.
fully paid	Description of shares on which the amount of share capital has been paid in full to the company.
fully paid policy	Life insurance policy that remains in effect after the insured has stopped making payments. If this arises, because the insured cannot afford further payments, the policy is usually surrendered and the proceeds used to buy a single premium policy.
fully paid up capital	Shares where all the funds to buy them have been paid.
fully reportable	Description of savings income that must be reported in full by the paying agent.
fully valued	Description of the value of a share or other security where the market believes the company's value is fully reflected in that value.
fulminate of mercury	Substance included in the list of explosives for which there are special Customs provisions (Explosives Act 1875 s3(1)). This description extends to fulminates of other metals.
fumage	(1) Another name for chimney money . (2) 11 th century tax for having a bonfire. Abolished by William III.
function	(1) Purpose or duties of a person, department or organisation, as in functions of HMRC. (2) Occasion whose main purpose is to allow people to meet socially. (3) Option assigned to a function key in computer software.
functional budget	Budget relating to a specific function in an organisation, such as marketing or personnel.
functional currency	Currency of the primary economic environment in which the entity operates (FRS 102 glossary). The same definition was used in FRS 13.
functional fixed asset	Item of tangible property which is intended to further the purposes of the organisation. The term is particularly used for charities.
functional strategic planning	In management accounting, the detailed plans produced within a business by which those working within an organisation are expected to meet short-term objectives.

functional team American term for a group of employees who are responsible for a particular function of the organisation.

functions In relation to HMRC, Finance Act 1989 s182 apportioned these between:

- **tax functions**
- **tax credit functions**
- **child trust fund functions**
- **social security functions.**

This category applies in relation to the disclosure of information to HMRC and the penalties for non-disclosure.

HMRC has other functions (eg national minimum wage, rateable values and Customs controls) that are covered by separate legislation.

functions in relation to starter homes This term is defined in Housing and Planning Act 2016 s8.

functus officio Latin: having discharged his duty.

This is a legal principle that once sentence has been passed, the judge cannot change his mind and alter the sentence or verdict, or hear new evidence.

fund (1) Amount of money available to an organisation and categorised according to how it may be spent.

(2) General term for any investment vehicle which pools together the money of many small individual investors and invests it in certain markets and securities according to a defined set of investment aims and objectives. Covers such investments as unit trusts, investment trusts and pension plans.

fund accounting Preparation of accounts for an organisation which has the nature of a **fund**.

fundamental analysis In investment, research for decision making based on the accounts of the companies under consideration.

fundamental assumption Basic assumptions for producing accounts.

fundamental breach Breach of contract that is so serious that the contract may be regarded as having ended.

fundamental issues In accounting, matters which relate to an organisation's assets or liabilities.

fundamental principles In relation to tax professionals, the principles are **integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.**

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A member must comply with the following fundamental principles :

- **Integrity**

To be straightforward and honest in all professional and business relationships.

- **Objectivity**

To not allow bias, conflict of interest or undue influence of others to override professional

or business judgements.

• **Professional competence and due care**

To maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.

• **Confidentiality**

To respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the member or third parties.

• **Professional behaviour**

To comply with relevant laws and regulations and avoid any action that discredits the profession.

(Professional Conduct in Relation to Taxation. May 2015)

fundamental research

In investment, examination of the basic factors which affect a market.

fundamentals

The underlying economic factors affecting a particular market, country or sector and will include such aspects as industrial output, wages and raw materials costs, currency strength or weaknesses, trade balance and so on.

funded company

Company which is funded by another (Income and Corporation Taxes Act 1988 s209(11)).

funded scheme

In pensions, a scheme where sufficient money is held in a fund to meet its obligations (SSAP 24).

Funded Unapproved Retirement Benefit Scheme (FURBS)

Tax avoidance scheme that became popular around 1990 as a means of topping up a pension. From 29 November 1993, a change in tax law largely removed this advantage.

funding

For accounting standards in relation to post-employment benefits, "contributions by an entity, and sometimes its employees, into an entity, or fund, that is legally separate from the reporting entity and from which employee benefits are paid" (FRS 102 glossary).

funding band maximum

Maximum amount of apprenticeship levy that may be spent on training for any one apprenticeship. These amounts are set by the Education and Skills Funding Agency for each job category.

funding bond

A bond, stock, share or similar security or other certificate of indebtedness. Businesses which pay interest on loans may use a funding bond rather than pay cash.

The use of a funding bond has tax consequences. The main one is that the bond is treated as a payment of interest in cash to the value of the bond when issued. This usually means that 20% tax must be deducted.

The tax provisions for a funding bond are found in Income Tax (Trading And Other Income) Act 2005 s380 as amended. This basically requires the bond to be treated as a cash payment with the usual tax deducted at source.

The income tax treatment is set out in Income Tax Act 2007 from s939.

Funding Circle	Peer-to-peer lending facility established in 2010 to provide finance for smaller businesses.
Funding for Lending Scheme	Scheme introduced by Bank of England and HM Treasury on 13 July 2012. It provides funds to banks and building societies to boost their lending to businesses.
funding lease	<p>In tax law, the term that Finance Act 2006 gives to what is usually a finance lease.</p> <p>A statutory definition is provided in Capital Allowances Act 2001 s70J. Under the tax provision, the lessee and not the lessor is entitled to the capital allowance provided the lease is:</p> <ul style="list-style-type: none">• a finance lease under GAAP in the accounts of the lessor;• one where the present value of the minimum lease period is equal to or greater than 80% of the fair value of the leased plant; or• one where the term of the lease is more than 65% of the remaining useful economic life of the leased asset. <p>A funding lease is then classified as either a short lease or a long funding lease, where the former usually has less than five years to run.</p>
funding level	In pensions, amount held by the fund as a ratio to the actuarial value of the fund's requirements to meet its obligations.
funding plan	In pensions, the timing of payments to meet the future cost of pension benefits.
fund management	Business of dealing with money provided by clients.
fund manager	Person employed to invest money on a collective basis, such as for a unit trust.
Fund Managers Association (FMA)	Body which represented investment fund managers. In February 2002, it merged with the Association of Unit Trusts and Investment Funds to form the Investment Managers Association .
fundo	Portuguese: fund
fund of funds (FOF)	<p>A collective fund, such as a unit trust, which invests in other funds. They have the advantage of very wide risk-spreading but can have the disadvantage of two sets of charges.</p> <p>In relation to the taxation of derivatives, the term is given a specific meaning in Income Tax Act 2007 sFZO(5) as inserted by Finance Act 2016 s37.</p>

fund raising	<p>Any activity primarily conducted to generate income such as for a charity or voluntary body.</p> <p>A business that does this commercially is regulated by Charities Act 1992 ss59-64.</p> <p>A fund-raising event by a charity is exempt from VAT under Value Added Tax Act 1994 Sch 9 Group 12.</p> <p>The same definition exempts such proceeds from income tax under Income Tax Act 2007 s529.</p>
funds	<p>Imprecise term that means the liquid resources available to a person or business either generally or in a specific context.</p> <p>For terrorist assets, the term is defined to mean “financial assets and benefits of every kind, including (but not limited to) —</p> <ul style="list-style-type: none">(a) cash, cheques, claims on money, drafts, money orders and other payment instructions;(b) deposits with relevant institutions or other persons, balances on accounts, debts and debt obligations;(c) publicly and privately traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivative products;(d) interest, dividends and other income on or value accruing from or generated by assets;(e) credit, rights of set-off, guarantees, performance bonds and other financial commitments;(f) letters of credit, bills of lading and bills of sale;(g) documents providing evidence of an interest in funds or financial resources;(h) any other instrument of export financing” <p>(Terrorist Asset-Freezing etc Act 2010 s39(1)).</p>
funds in court	<p>Money held by a court for the benefit of someone, usually while beneficial ownership is being litigated.</p> <p>For capital gains tax purposes, the court is regarded as a nominee (Taxation of Capital Gains Act 1992 s61).</p>
funds statement	<p>American term for an analysis of changes in working capital that all public corporations must report.</p>
fund supermarket	<p>Firm, typically a website, that offers details of a wide range of investments from several providers, and provides the facilities to invest in them.</p>
fund switching	<p>Movement of assets from one fund to another within a unit trust, mutual fund or similar investment vehicle.</p>
fund value	<p>Monetary value of a fund, achieved by adding the values of its assets. This is used to calculate the value of units in a unit trust.</p>
funeral expense assistance	<p>Money or other assistance that may be provided in Scotland under Social Security (Scotland) Act 2018 s34.</p>

funeral expenses	Reasonable funeral expenses are allowable as a deduction from a person's estate for inheritance tax purposes under Inheritance Tax Act 1984 s172. Reasonable expenses include the cost of a tombstone (statement of practice SP 7/87) and mourning costs for the family (extra-statutory concession F1).
funeral expenses grant	Social Fund payment to a person on means-tested benefits who becomes responsible for arranging a funeral.
funeral plan	Arrangement whereby someone makes payments towards the cost of their funeral. The sale of the plan to the individual is generally exempt. However commission paid to an agent for selling the plan is standard-rated. If the plan takes the form of an insurance policy, it is exempt as a supply of insurance. Further details are given in VAT notice 701/32.
funeral services	For VAT, these are an exempt supply. Further details are given in VAT notice 701/32.
fungibility	Ability of one thing to be exchanged for another.
fungible assets	In accounting, "assets that are substantially indistinguishable one from another, in that there is no basis on which to distinguish between them in economic terms" (FRS 18 para 10). The FRS continues with further explanation. Fungible assets may be a quantity of indistinguishable assets, such as a stock of washers, or may be a quantity of gas or liquid.
furacious	Having the nature of a thief.
FURBS	Funded unapproved retirement benefit scheme.
furcam et flagellum	Lowest form of tenure in the middle ages. The term is Latin for gallows and whip, indicating their total dependence on their master.
furlong	Imperial unit of length common in horse racing. It is equal to 220 yards, 660 feet or 201.168 metres. There are 8 furlongs in a mile.
furlough	Leave of absence from duty.
furnace fuel	Hydrocarbon oil used in a furnace. Light oil that is so used may attract a rebate of excise duty under Hydrocarbon Oil Duties Act 1979 s14.
furnished holiday lettings (FHL)	Activity that has elements of both trade and investment, and therefore has its own tax provisions. If provided by a company, it is generally taxed as a trade under Corporation Tax Act 2010 s65. The tax provisions are given in Corporation Tax Act 2009 from s264.

If provided by an individual, it has some of the benefits of a trade in terms of loss relief.

furnished holiday lettings business

For capital allowances. it is defined as "a UK property business which consists in, or so far as it consists in, the commercial letting of furnished holiday accommodation" (Capital Allowances Act 2001 s17(1)). The laws are tightened from 6 April 2012 under Finance Act 2011 Sch 14.

The position for capital gains tax is given in Taxation of Capital Gains Act 1992 s241.

The income tax provisions are given in Income Tax (Trading and Other Income) Act 2005 from s322.

furnished letting

Property which may be rented with furniture provided.

Corporation tax provisions are given in Corporation Tax Act 2009 from s248. Income tax provisions are given in Income Tax (Trading and Other Income) Act 2005 from s308.

furnishings

This is listed in Capital Allowances Act 2001 s23 List C as an item that is not affected by the provisions of s21 (buildings) or s22 (structures). This means that its eligibility for capital allowance depends on the nature and purpose of the item.

furniture reuse project

From April 2013, local authorities are required to consider such projects as part of **locally administered assistance**.

Furniss v Dawson

Landmark tax case from House of Lords in 1984.

The case established that where a pre-ordained series of transactions includes steps which have no commercial purpose other than avoiding tax, those steps may be ignored for tax purposes. This considerably reduced the scope of tax avoidance and ended many schemes.

The test case concerned two family companies who wished to sell their shares to an unconnected company. They effected this by first selling their shares to a Manx company which sold them to the company, taking advantage of the law as it then was.

furniture

This is listed in Capital Allowances Act 2001 s23 List C as an item that is not affected by the provisions of s21 (buildings) or s22 (structures). This means that its eligibility for capital allowance depends on the nature and purpose of the item.

further advance

Additional loan to an existing loan or mortgage.

further appeal

For VAT, "means an appeal against —

(a) the tribunal's determination of an appeal under section 83, or
(b) a decision of the Upper Tribunal or a court that arises (directly or indirectly) from that determination"
(Value Added Tax 1994 s85B(8)).

further assurance	In contracts for property, a covenant to make to the purchaser any additional assurance that may be necessary to complete the title.
further charge	Another name for a further advance .
further education body	“Means — (a) a further education body in England, or (b) a further education body in Wales” (Technical and Further Education Act 2017 s4(1)).
further education body in England	“Means — (a) a further education corporation in England, or (b) a sixth form college corporation, or (c) a company conducting a designated further education institution in England” (Technical and Further Education Act 2017 s4(2)).
further education body in Wales	“Means — (a) a further education corporation in Wales, or (b) a company conducting a designated further education institution in Wales” (Technical and Further Education Act 2017 s4(3)).
further information order	Order that may be made by a magistrates' court (or sheriff in Scotland) under Proceeds of Crime Act 2002 s339ZH as inserted by Criminal Finances Act 2017 s12.
further issue	In relation to venture capital trusts, this term is given a specific meaning in Income Tax Act 2007 s280BA as inserted by Finance Act 2018 Sch 3.
further period	This term is given a specific meaning for long funding operating leases in Capital Allowances Act 2001 s70YB(2)(d).
furthest month	Month of a futures or options contract that has the latest delivery date.
fusel alcohol	Another name for fusel oil .
fusel oil	Nauseous oil produced in distillation of spirits . The molecules of such oils have two carbon atoms against the one normally found in alcohols. A distiller must measure the quantity and strength of fusel oil before disposing of it. Alcoholic liquor duty is not charged on fusel oil with a strength below 8.7% abv . HMRC must be notified if the distiller wishes to keep fusel oil, such as to use as fuel.
future	See futures .
future delivery	Contractual term where delivery of goods is to happen at a future date.

future economic benefits	<p>In accounting, term used to define an asset. An asset must be capable of generating future economic benefits, not necessarily on its own.</p> <p>An asset may be so recognised if the benefit is uncertain, but not if it is remote. Something acquired as an asset is accounted as such, even if it can become a liability, as in a forward contract.</p>
future estates	<p>Estates which have yet to come into existence. Such estates may be created by trusts, wills, contracts or by other means. Since 1925, such an estate is an equitable interest.</p>
future goods	<p>Goods for sale which are not yet in the ownership or possession of the seller, unlike existing goods. (Sale of Goods Act 1979 s5(1)).</p>
future plans	<p>Tautology which simply means "plans". You cannot plan for the past.</p>
Future Revenue Benefit (FRB)	<p>In relation to tax disputes, term used in HMRC Notice of 20 December 2013 but not defined there.</p> <p>FRB may be a factor in how HMRC resolves a tax dispute. FRB is an evidence-based calculation of the amount of revenue that may be realised if the dispute is settled in HMRC's favour. The FRB must consider likely behaviour, be sensible and not cover a period of more than five years.</p>
future shock	<p>Term once used to denote the stress and disorientation felt by salesman faced with constant changes in the market.</p>
future value (FV)	<p>Value to which a sum of money will increase over time.</p>
futures	<p>Obligation to buy or sell a specific amount of a commodity, currency or financial instrument at a particular price on a stipulated future date. The price is established between buyer and seller on the floor of an exchange, such as the London International Financial Futures Exchange (LIFFE). Futures contracts may themselves be traded.</p> <p>For employment income, the term is defined in Income Tax (Earnings And Pensions) Act 2003 s420(3).</p> <p>For corporation tax, the term is defined in Corporation Tax Act 2009 s581.</p>
futures commission merchant (FCM)	<p>In the USA, an individual or organisation that accepts orders to buy or sell futures contracts or options, and who accepts payment for the service.</p>
futures contract	<p>Contract for the purchase of commodities at a future date.</p>
futures exchange	<p>Market, such as LIFFE, where futures contracts may be traded.</p>
Futures Industry Association (FIA)	<p>In the USA, the national association for the futures industry.</p>
future value	<p>The value of an existing item at a future date.</p>

fuzes	Items in the list of explosives for which there may be special Customs provisions (Explosives Act 1875 s3(1)).
fuzzy logic	<p>Computer application which seeks to interpret data in a human way. It is similar to artificial intelligence.</p> <p>Photographing an object is an ordinary computer application. Identifying the objects is fuzzy logic.</p> <p>Taking a film of a crowd is an ordinary computer application. Detecting movements and gestures which could indicate trouble is fuzzy logic.</p>
FV	Future value.
FVA	Fair value of the assets (as used in Income and Corporation Taxes Act 1988 s444ABB).
FWO	Freewill offering, in churches.
FX	Foreign exchange.
FX Global Code	Global code of conduct for foreign exchange markets published by the Bank of England on 25 May 2017.
FY	Financial year.
FYA	First year allowance.
FYI	Abbreviation: for your information.
FYROM	Former Yugoslav Republic of Macedonia - Macedonia's identity remains contentious and it is still referred to formally as the Former Yugoslav Republic of Macedonia (FYROM). International recognition of FYROM's split from Yugoslavia in 1991 was held up over Greek fears that the country's name implied territorial ambitions toward the northern Greek region of Macedonia. The country gained UN membership in 1993 under the name Former Yugoslav Republic of Macedonia.
FZ	Free zone.