



Leach's Tax Dictionary

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G

G

Council tax

For council tax, the second highest band of property values (except for Wales). The band applies to these property values:

- in England, between £160,001 and £320,000 in 1993;
- in Wales, between £191,001 and £286,000 from 1 April 2005, and between £120,001 and £240,000 before;
- in Scotland, between £106,001 and £212,000 in 1993.

A band G property pays council tax at a rate of $1\frac{2}{3}$ the rate of an average band D property.

National insurance

(1) From 6 April 2016, contribution letter for an apprentice ocean-going mariner.

(2) Before 6 April 2012, contribution letter for a woman eligible to pay reduced rate contributions and who is in a money purchase occupational pension scheme. This letter changed to B on 6 April 2012.

Company cars

Before 6 April 2011, P11D code for company cars that run on E85 fuel. From 6 April 2011, these are code A.

Vehicle excise duty

Rate band for vehicles with emissions between 151 and 165 gm/km.

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

The reason is reasonable excuse.

Other meanings

- (1) For embedded derivatives, the sum of credits as defined in Corporation Tax Act 2009 s669(2).
- (2) In science, the constant of gravitation pull.
- (3) Old Roman numeral for 400.
- (4) Symbol for general intelligence
- (5) Abbreviation: guarani, currency of Paraguay.

(6) In relation to residence nil rate band for inheritance tax, means a guardian of a child as defined in Inheritance Tax Act 1984 s8K(6) as inserted by Finance (No 2) Act 2015 s9.

(7) General limit, in pension formula in Finance Act 2004 s16AC(1).

(8) Total generated allowance, as used in Corporation Tax Act 2010 s356JK(5).

G 7

The seven countries with the largest economies. They meet occasionally to discuss economic matters.

Members are Canada, France, Germany, Italy, Japan, UK and USA. This became **G8** in 2006 when Russia was added. Russia was temporarily excluded in 2014 as a sanction for its actions in Ukraine.

G 8

The G7 countries to which Russia was added in 2006.

G20

The twenty countries with the largest economies. They held a summit meeting in 2007 and an important meeting in 2009. They have had regular meetings since then.

G\$

Abbreviation: Guyana dollar.

GAAP

Generally accepted accounting principles.

GAAP accounts

In relation to disposals of land, "means accounts drawn up in accordance with generally accepted accounting principles" (Finance (No 2) Act 2017 s39(2)).

GAAP-compliant accounts

For corporation tax, means "accounts drawn up in accordance with generally accepted accounting principles" (Corporation Tax Act 2009 s716(4)).

Ibid s717 says that provisions of the Act apply even if the accounts are not GAAP-compliant.

Ibid s718 deals with compliance for group accounts.

This term is also used in relation to **restitution interest** in Corporation Tax Act 2009 s357YF(4).

GAAR

From March 2012, General anti-abuse rule.

Before March 2012, GAAR stood for General Anti-Avoidance Rule.

Professional guidance relating to a challenge under GAAR is given in Professional Conduct in Relation to Taxation paras 4.22 to 4.26.

GAAR panel

Panel established in 2013 to give anonymised opinions on whether a scheme comes within the scope of **GAAR**. It gave its first ruling on 3 August 2017, relating to an EBT gold bullion scheme.

gabelle

French tax on salt between 1286 and 1790.

Gabon

West African state. Its currency is the CFA franc of 100 centimes. The UK has no double taxation treaty.

GACV

Prefix for HMRC's tax manual on guidance on the audit of Customs values.

GAD	Government Actuary's Department.
GAD tables	The Government Actuary's Department Tables on a single life basis.
gaffer	Foreman or boss. Originally a term of respect for an old man.
gag clause	American term for a provision in a contract of employment which restricts an employee or former employee from disclosing trade secrets or other sensitive information.
gage in the cask	Size of a beer cask. Between 1643 and 1830, excise officers had to check the gage in the cask, which meant measuring the capacity of beer casks.
gager de deliverance	Give surety for the delivery of goods.
gain	<p>Accounting</p> <p>In accounting, means all profits, surpluses and other gains.</p> <p>Statement of Principles defines gains as "increases in ownership interest not resulting from contributions from owners" (para 4.39).</p> <p>For the FRS 102 definition, see gains.</p> <p>Tax</p> <p>In tax, the term gain is usually distinguished from profit to mean a capital gain.</p> <p>Crime</p> <p>For fraud, the term means a gain in money or other property, whether that gain is temporary or permanent.</p> <p>Property means any property, real or personal, including things in actions and other intangible property (Fraud Act s5(2)). A gain includes keeping what one has in addition to getting what one does not have (ibid s5(3)).</p>
gain buying	Practice whereby a company with chargeable gains bought companies with chargeable losses to obtain tax relief. These were generally outlawed from 17 March 1998.
gaining party	Spouse or civil partnership who receives the benefit of a transfer of personal allowance after the death of their partner (Income Tax Act 2007 s55B(7) as inserted by Finance Act 2018 s6).
gains	<p>"Increases in economic benefits that meet the definition of income but are not revenue" (FRS 102 glossary).</p> <p>"Gains are other items that meet the definition of income but are not revenue" (FRS 102 section 2.25(b)).</p>
gainsharing plan	American term for an employee incentive plan by sharing with a group of employees a share of the additional profits they have generated.
gains referable to gross roll-up business	In relation to the taxation of insurance companies, "gains which:

(a) accrue to an insurance company on the disposal by it of assets of its long-term insurance fund, and

(b) are referable.... to **gross roll-up business**.
(Income and Corporation Taxes Act 1988 s436B(2)).

Gaitskell, Hugh

English Labour politician (1906-1963) who was Chancellor of the Exchequer from 19 October 1950 to 26 October 1951 in the government of Clement Attlee. The Korean war added to the financial strains from the second world war which led him to introduce prescription charges that have remained ever since.

From 1955 to 1963, he was Leader of the Opposition.

gal

Unit of acceleration equal to one centimetre per second per second.

gallantry

An award for gallantry may come with an annual payment. Such payment is exempt from income tax under Income Tax (Earnings And Pensions) Act 2003 s638.

The disposal of such a decoration by the person to whom it was awarded is not taxable as a capital gain (Taxation of Capital Gains Act 1992 s268). The sale by a subsequent owner is not covered by this exemption and so may be taxable.

gallery

May be able to have VAT refunded under Value Added Tax Act 1994 s33A.

galley sixpence

Small silver coin brought from Genoa by wine merchants and used at Galley Quay in London during 15th century.

gallon

Imperial unit of liquid capacity equal to 8 pints, 277.42 cubic inches or 4.546 litres. The measure was the basis of alcoholic liquor duty before 1980.

galloping inflation

Colloquial term for inflation which seems to be out of control.

Gambia

West African state. Its currency is the dalasi of 100 butut. The UK has a double taxation convention of 1980.

gambling

Definition

Staking a sum of money on an uncertain outcome on the basis that a larger sum may be won or the stake is lost.

The same definition applies to insurance, the difference being that insurance removes an existing risk whereas gambling creates a new risk. Many financial products can be used equally as insurance or gambling.

Sometimes a distinction is made between gambling and betting. The former is a wager on a chance event, such as the throw of a dice. Betting is a wager on a future event, such as the result of a horse race.

Gambling is now licensed and regulated by the **Gambling Commission**. It categories gambling into these sectors:

- arcades
- betting (including online, bookmakers and at events)
- bingo
- casino

- lotteries
- gaming machines.

Law

In law, the term means gambling, betting and participating in a lottery (Gambling Act 2005 s3).

A wager cannot be subject of a legally binding contract.

Tax

Gambling is not a trade (*Graham v Green* [1925] 9TC309).

However being a bookmaker can be a trade (*Partridge v Mallandaine* [1886] 18QBD276).

Value added tax

For VAT on gaming machine takings, gaming means:

- “(a) playing a game of chance for a prize, or
- (b) betting”

(Value Added Tax Act 1994 s23(6)).

There are separate provisions for **gaming machines**.

gambling arcade

An amusement arcade that includes **gaming machines**.

For the purposes of gaming law, there are three types:

- **adult gaming centres**
- **licensed family entertainment centres**
- **unlicensed family entertainment centres**.

The first two require a licence from the Gambling Commission. The third requires a permit from the local authority.

Gambling Commission

Body corporate established under Gambling Act 2005 s20 as a successor to the Gaming Board for Great Britain. It licenses and regulates all people and businesses that provide gambling in Great Britain, including the National Lottery.

gambling policy

In marine insurance, a policy where the supposed beneficiary has no insurable interest. Such a policy is void, and attempting to effect such a policy is an offence under Marine Insurance (Gambling Policies) Act 1909 s1.

gambling software operating licence

Licence issued by Gambling Commission to someone who manufactures, supplies, installs or adapts **gambling software** (Gambling Act 2005 s65(2)(i)).

gambling software

Computer software “for use in connection with remote gambling” but which is not solely for use in a gaming machine. A licence is needed to produce such software under Gambling Act 2005 s41.

gambling tax service (GTS)

Service offered by HMRS in relation to collecting the various gambling duties. The term is particularly used in relation to the on-line registration service offered from 3 November 2014.

GamCare	Organisation that helps people with a gambling problem.
game	In relation to night poaching “includes hares, pheasants, partridges, grouse, heath or moor game, and bustards” (Night Poaching Act 1828 s13).
game of chance	<p><i>Law</i></p> <p>For the purposes of gambling, a game of chance is one which either requires no skill from the participants (as in a lottery), or which requires some skill, judgment or knowledge on their part, but “the requirement cannot reasonably be expected to prevent a significant proportion of persons who participate in the arrangement of which the process forms part from receiving a prize” (Gambling Act 2005 s15(5)).</p> <p><i>Value added tax</i></p> <p>For VAT on gaming machines, the term “includes —</p> <ul style="list-style-type: none">(i) a game that involves both an element of chance and an element of skill, and(ii) a game of chance that can be eliminated by superlative skill, and(iii) a game that is presented as having an element of chance, but does not include a sport” <p>(Value Added Tax Act 1994 s23(6)(f)).</p>
Games Period	Period from 22 July 2015 to 28 July 2015. Participants in the Anniversary Games at the Olympic Stadium in London between those dates may benefit from a tax exemption in Finance (No 2) Act 2015 s30.
game strategy	In statistics, an analysis for competitive situations, such as in pricing policy. It assumes that all participants act rationally.
gaming	Game of chance played for winnings, such as bingo and whist drives. To be gaming, every participant must have a chance of both winning and losing. Above a certain limit, a licence is needed.
Gaming Board for Great Britain	Body set up to oversee gaming activities. It is replaced by the Gambling Commission under Gambling Act 2005 s20.
gaming duty	<p>A duty payable on the gross gaming yield for premises where gaming takes place. It applies only to certain specified games, or to games essentially similar to them.</p> <p>The duty replaced gaming licence duty from 27 April 2009 under Finance Act 1997 s10.</p> <p>The duty is charged according to annual gross gaming yield at percentages ranging from 15% to 50%.</p>
gaming duty register	“Means the register maintained under paragraph 1 of Schedule 1 to this Act” (Finance Act 1997 s15(3)).

gaming licence duty	Duty charged on gaming. It is replaced by gaming duty from 27 April 2009 under Finance Act 1997 s10.
gaming machine	<p>Definition</p> <p>“A machine which is designed or adapted for use by individuals to gamble (whether or not it can also be used for other purposes)” (Gambling Act 2005 s235(1)).</p> <p>S235(2) excludes from the scope ordinary computers, telephones and other communication equipment, machines for placing bets, lottery ticket dispensers, bingo machines and machines for games of chance.</p> <p>Value added tax</p> <p>For VAT purposes, it is defined as a machine where these conditions are satisfied:</p> <p>“(a) it is constructed or adapted for playing a game of chance by means of it; and</p> <p>(b) a player pays to play the machine (except where he has the opportunity to play payment-free as a result of having previously played successfully), either by inserting a coin or token into the machine or in some other way; and</p> <p>(c) the element of chance in the game is provided by means of the machine” (Value Added Tax Act 1994 Sch 9 Group 4 Note 3).</p> <p>Provisions on how much VAT is payable are given in Value Added Tax Act 1994 s23.</p> <p>The term includes AWP machines, crane grabs and pinball machines.</p>
gaming machine licence duty	Name that was given to amusement machine licence duty before 1 November 1998. The change in name reflects the extended scope of machines subject to duty.
	The law is Finance Act 1985 s8.
gaming provider	A person with whom a customer contracts (or enters into other arrangements) to participate in remote gaming .
gamma	<p>Third letter of Greek alphabet denoted as Γ (capital letter) or γ. In classical Greek, it denotes the number 3.</p> <p>For investment, it denotes the speed of change in the delta of an option or warrant. It is calculated by dividing the delta by the change in price in the underlying security.</p>
gamma share	Term used before 1991 for shares of small companies that are infrequently traded on the Stock Exchange.
Gana Prajatantri Bangladesh	Bengali: People's Republic of Bangladesh.
gandermonth	Old term for the month after childbirth when the husband does not know what to do. The term comes from the supposed habits of ganders.
gangmaster	“A person (A) acts as a gangmaster if he supplies a worker to do work to which Act applies for another person (B)” (Gangmasters (Licensing) Act 2004 s4(2)).

This law was passed in the wake of a tragedy.....

Gangmasters have commonly been used for harvesting. A farmer would make a single deal with a gangmaster who would provide the labour. In 1867, the law was changed outlawing using children under 8, and requiring a gang-mistress if older girls were used.

Gangmasters Licensing Authority (GLA)

Body corporate established under Gangmasters (Licensing) Act 2004 s1.

The body was formed as a response to the deaths of 21 cockle pickers in Morecambe Bay in 2004.

gaol

Prison. In USA, it is spelled jail. The words have the same pronunciations.

gaol delivery

Right of a judge to have prisoners awaiting trial released from gaol to him to hear their case. This right is now contained in Courts Act 1971.

gap

In investing, this refers to the difference between closing prices of one day and the opening prices of the next day. For London securities, this can happen if there has been significant trading on the US market after the London market has closed.

gap analysis

In marketing, an examination of the market to identify any need not otherwise being satisfied.

gap financing

Additional loan to cover a need for which finance is not otherwise available.

gap financing

American term for a temporary loan to cover any shortfall in funding between the maximum permanent loan and the **floor loan**.

A floor loan provides funds according to the amount of floor space that has been built during construction.

gap year

Period of about one year when a person who has completed a course of education delays the start of work or further education, for such a purpose as travelling or gaining experience in a different environment.

gap year travel insurance

Another name for **backpacker insurance**.

garage

For council tax, a garage is not a chargeable dwelling unless it belongs to a property for domestic occupation or has a floor area of up to 25 square metre *and* is used primarily to house a car.

garden

Capital gains tax

Land attached to a dwelling for its enjoyment. This is regarded as part of the dwelling if up to half a hectare (about 1.2 acres) or a larger size appropriate to the character of the dwelling.

VAT

A garden cannot be a museum, and therefore does not come within the scope of VAT exemption for cultural services in Value Added Tax 1994 Sch 9 Group

13. (*Trebah Garden Trust*. [1998] VTD 16958).

Garden Bridge

Proposed bridge across the Thames from Temple to South Bank, with trees and other vegetation. The proposal was abandoned on 14 August 2017 after £48 million had been spent.

Garden House case

Court case of 1970 that dealt with the “why me?” legal principle. Although not a tax case, the basic principle can be applied to tax cases.

On 13 February 1970, several hundred students from Cambridge University staged a violent protest at Garden House Hotel against the Greek military government. The hotel was sponsoring a Greek Week.

Only 15 students were arrested of whom eight were convicted and received harsh sentences. At the Court of Appeal, it was argued (among other points) that it was unfair that only some of the guilty should be punished while others equally guilty went free. The Court of Appeal said that this was not injustice; though the fact that others who were guilty escaped justice probably was.

garnish

(1) A gift of money, especially that paid to prisoners by someone entering prison, or by workers on starting a new job. These practices have now died out.

(2) Practice up to 19th century of creditors taking everything belonging to a debtor including the clothes he is wearing, leaving him naked and without possessions. The practice, now illegal, was often intended to cause embarrassment and distress rather than to realise funds.

[The word has other meanings.]

garnishee order

Order of a court requiring a third party to pay money in settlement of a court judgment. For example if A has a judgment against B who does not pay, and C owes money to B, A can obtain a garnishee order against C. Such an order may also be given over B's bank account.

In the UK, such orders are now more commonly called third party debt orders.

In the USA, such orders are called garnishment.

garnishment

American term for a **garnishee order**. It is also the American term for what is known as an attachment of earnings order in the UK.

gas

One of the states of matter, of which the other two are solid and liquid. In particular, the term is used for flammable gas used for heating and power.

For hydrocarbon oil duty, a substance is a gas if it is gaseous at 15°C and under a pressure of 1013.25 millibars. For duty purposes, it is also a requirement that it is supplied for use as fuel in road vehicles. (SI 1972 No 846 and other statutory sources.)

For VAT, the supply of gas for fuel is a supply of goods. When supplied for domestic or charity use it may be reduced-rated under Value Added Tax Act 1994 Sch 7A Group 1. Further details are provided in VAT notice 701/19.

Gases that are not used for fuel (such as nitrogen and chlorine) are generally not zero-rated, even if combustible (such as hydrogen), except that

oxygen and anaesthetic gases may be zero-rated or exempt as a health supply, as explained in VAT notice 701/31.

Gas as road fuel is always standard-rated.

In the USA, "gas" means petrol.

GAS	Government Accounting Service.
gas guzzler tax	American tax imposed in 1980 on fuel-inefficient cars.
gas oil	<p>"Means heavy oil of which not more than 50 per cent by volume distils at a temperature not exceeding 240°C and of which more than 50 per cent by volume distils at a temperature not exceeding 340°C" (Hydrocarbon Oil Duties Act 1979 s1(5)).</p> <p>The same definition, but with "degrees" spelled out, appears in Hydrocarbon Oil Regulations SI 1973 No 1311 reg 2.</p>
gas refuelling station	This may qualify for a first year allowance (Capital Allowances Act 2001 s45E).
gas system	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.
gas works	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).
gate	Part of a building (Capital Allowances Act 2001 s21(3) List A).
gate money	Money paid for admission to a place or event, particularly in referring to the total collected by the organisers.
gate-post bargain	Old term for a deal where the purchase money had to be placed on a gate post before the goods left the field.
gateway	<p>(1) General term for any form of entrance. For tax, the term is commonly used for the access to government files relating to an individual, particularly for tax returns and tax credits. The individual is allocated a 12-digit user ID number.</p> <p>(2) Term used for the relationship established between HMRC and the Financial Reporting Review Panel. It is formally enacted in Companies (Audit, Investigations and Community Enterprise) Act 2004.</p>
Gateway Agent Identifier	A form of user ID issued by HMRC to tax agents which allows the agent to file returns on behalf of clients.
gateway test	Test proposed by HMRC at the first meeting of the IR35 Forum on 6 May 2011. It would be similar to the employment status indicator in assisting taxpayers to establish whether they are within the scope of the IR35 rules.

gatekeeper	Person in an organisation who controls the flow of information to and from management.
gate money	Admission charge to an event such as a fair.
Gateway	(1) The arrangement whereby an individual or business can access personal records held by the government on-line. This includes tax records. The Gateway requires a User ID which consists of 12 digits. (2) For controlled foreign companies, Gateway is the concept that defines the profits that are within the scope of the proposed scheme to be introduced in 2012.
Gateway conditions	For universal credit, the conditions that must be met by a claimant for universal credit unless the claimant lives in a digital service test area. The conditions relate to the circumstances of the individual, and vary from area to area.
gateway test	Term used in relation to worldwide debt cap . The gateway test compares UK net debt with worldwide gross debt.
GATT	General Agreement on Tariffs and Trade. This agreement was designed to provide an international forum that encouraged free trade between member states by regulating and reducing tariffs on traded goods and by providing a common mechanism for resolving trade disputes. General Agreement on Tariffs and Trade (GATT) membership now includes more than 110 countries.
gauger	Old term for an excise officer who, between 1643 and 1830, was required to check the size of beer casks and assess the strength of the beer.
gauging	For spirits production, "the process by which a vessel is calibrated" (Customs notice 39).
Gauke, David	English Conservative politician (1971-). He was a Treasury minister from 2010 to 2017, including Chief Secretary to the Treasury from 14 July 2016 to 11 June 2017, and then moved to be secretary of state for Work and Pensions to 8 January 2018, when he became justice secretary.
gavel	Payment to a superior, as rent, tribute or similar. [The word also means a small hammer as used by an auctioneer.]
gavelkind	Traditional form of property inheritance in Kent which basically devolved a man's property to all his sons equally. It was abolished by Law of Property Act 1922 and Administration of Estates Act 1925.
Gavi Alliance	Charity that draws together international bodies for fund world immunisation programmes.
gay	Modern accepted term for a homosexual.

GAYE	Give As You Earn.
Gazette, The	For Companies Acts, the term “means — (a) as respects companies registered in England and Wales, the London Gazette, (b) as respects companies registered in Scotland, the Edinburgh Gazette, and (c) as respects companies registered in Northern Ireland, the Belfast Gazette”. (Companies Act 2006 s1173(1)).
gazette	Official publication which prints statutory notices and other formal statements. The first was published in Venice in 1536. With a capital G, the word usually means <i>The London Gazette</i> which from since 1665 publishes royal proclamations, orders in council and other formal legal statements. The Gazette may be used as evidence for many purposes.
gazumping	Practice of offering a higher price to persuade a seller to sell an item to you rather than to an existing potential purchaser. The practice relates almost exclusively to houses.
GBD	General betting duty.
GBP	ISO code for UK pound.
GCA	Groceries Code Adjudicator.
GCCR	Goode Consumer Credit Reports, a series of law reports first published in 1882.
GCM	Guild of Church Musicians.
GCR	Group capital resources.
GCRF	Global Challenges Research Fund, launched by the UK government in 2015.
GCCR	Group capital resources requirement.
GDL	Graduate Diploma in Law.
GDP	Gross domestic product.
GDPR	(1) General data processing regulation. It should be noted that this abbreviation is used in its own right. (2) “Means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Processing Regulation)”

(Data Protection Act 2018 s3(10)).

GDR	Global depositary receipt.
geared car	<p>Car with a manual gear box as opposed to having automatic transmission.</p> <p>Geared cars tend to be of lower cost and have better fuel consumption. Accordingly there is a measure of tax relief if a disabled employee has an automatic car because he or she cannot drive a geared car.</p>
geared growth	<p>In tax, an avoidance method developed to breach the limits that otherwise apply to company share option plans. The method was made ineffective by Finance Act 2010 s39 from 24 March 2010.</p>
gearing	<p>Relationship between two figures whereby a small increase in one figure can lead to a large increase in another.</p> <p>The term is particularly used in business to mean the ratio between debt capital to equity capital. A company which is highly geared has a relatively greater ratio of debt capital. This magnifies the benefit or detriment to shareholders of a particularly good or bad profit.</p>
gearing of warrant	<p>In investing, the degree of additional exposure gained by buying a warrant rather than the underlying share or other security.</p>
gearing ratio	<p>The gearing ratio shows the proportion of the total capital of the firm that is loan capital. It therefore measures the extent to which the company has borrowed. The higher the gearing ratio, the greater the proportion of their capital the firm has borrowed and the higher the interest payments the firm faces will be.</p>
GEL	ISO code for Georgia lari.
gelatine	<p>For VAT, gelatine is zero-rated when supplied for use in food but standard-rated for purposes such as photography (VAT notice 701/14).</p>
geld	<p>(1) A tax, tribute or penalty paid in money.</p> <p>(2) Dutch: money</p>
gelds	<p>Taxes charged in 11th century by William I in addition to the Danegeld.</p>
gem	<p>A stone which is regarded as having great beauty and is therefore widely used in jewellery. Many gems also have industrial uses, because of their hardness or electrical properties.</p> <p>Gems are typically crystals. Diamonds are crystals of pure carbon, while rubies are crystals of aluminium oxide. By far the most valuable gems are diamonds which are valued separately from all others.</p> <p>Most gems are naturally occurring minerals, but the term is sometimes extended to pearls made by oysters and to amber which is fossilised resin.</p> <p>Traditionally gems were classified as precious and semi-precious with the former comprising diamonds, rubies, sapphires, emeralds, opals and (sometimes) pearls. This classification is now not widely used as it is too</p>

vague.

GEN	Part of the Financial Services Authority handbook that contains general provisions.
gender	<p>Whether something is male or female.</p> <p>“In any Act, unless the contrary intention appears —</p> <p>(a) words importing the masculine gender include the feminine;</p> <p>(b) words importing the feminine gender include the masculine”</p> <p>(Interpretation Act 1978 s6).</p> <p>Strictly speaking the correct term for people is sex, as “gender” is restricted to words. However the term “gender” is increasingly being used for people, presumably because of coyness in talking about sex.</p>
Gender Directive	EU directive which requires member states to give equal treatment to men and women in accessing publicly available goods and services.
gender identity	In human resources, the sense a person has about whether they are male or female.
gender pay gap information	Information provided by an employer on the difference in pay between male and female workers. The authority to provide this is contained in Small Business, Enterprise and Employment Act 2015 s147.
gender reassignment	<p>Legal and (usually) surgical or hormonal procedure by which a person comes to be regarded as being of the opposite sex to that in which they were born. The legal process ends with a gender recognition certificate.</p> <p>This change is effective for all purposes including tax, such as cessation of liability to class 1 national insurance. It is an offence for an employer to discriminate against someone who has had this procedure (Sex Discrimination Act 1975 s2A).</p> <p>For national insurance purposes, the change is only effective from the issue of the certificate (<i>M v HMRC. TC00638 [2010]</i>).</p>
gender recognition certificate	Certificate which states that a person is legally regarded as having changed their sex following gender reassignment .
gender representation	The number of men and women on a body. The term is usually used in the context of ensuring that more women are included. It is used in such legislation as Gender Representation on Public Boards (Scotland) Act 2018.
general agent	Person who has been given authority to act as agent for another person on all matters of a particular type.
General Agreement on Tariffs and Trade (GATT)	Trade agreement between the world's countries, first made in 1948.
general annuity contract	In relation to taxation of annuity business, “means an annuity contract so far as referable to general annuity business” (Finance Act 1991 Sch 7 para 16(7)).

general anti-avoidance rule Tax provision that would generally disallow **tax avoidance schemes** without the need for separate legislation for each scheme. A GAAR has frequently been proposed but not yet introduced, with some exceptions during wartime.
Provisions for the rule in Scotland are set out in Revenue Scotland and Tax Powers Act 2014 from s62.

general beer duty Duty charged on beer with an alcoholic strength between 2.8% and 7.5% (Alcoholic Liquor Duties Act 1979 s36).
Beer outside this range of strengths is subject to a different rate of duty from 1 October 2011.

general betting duty (GBD) Tax charged on betting for which there is not a separate duty.

General Block Exemption Regulation

“Means Commission Regulation (EU) No 651/2014 (General block exemption Regulation)” (Capital Allowances Act 2001 360L(6)).

For theatre tax credit, “Means any regulation that —

(a) is for the time being in force under Article 1 of Council Regulation (EC) No. 994/98, and

(b) makes, in relation to aid in favour of culture or heritage conservation, the declaration provided by that Article” (Corporation Tax Act 2009 s1217KC(3)).

general client account deposits

This term is defined for income tax purposes in Income Tax Act 2007 s863.

General Commissioners

Lay people, similar in status to magistrates, who heard tax appeals. They are independent from the tax authorities.

With the **Special Commissioners**, they comprised the **Appeal Commissioners**. They are both replaced by **tax tribunals** from April 2009.

general data processing requirements (GDPR)

Stricter data requirements that took effect in the UK from 25 May 2018. It replaces previous data protection regulations from 1995.

The basis of the law is EU directive 2016/680 of 27 April 2016 and regulation 2016/679 of the same date. It applies the same rules to all members of the EU and EEA.

In the UK, the main law is Data Protection Act 2018. Non-compliance can lead to a fine of up to €20 million or 4% of global turnover.

general decommissioning expenditure

Expenditure incurred on **decommissioning** an **offshore installation** under a formal scheme where the relevant plant and machinery is not to be replaced.

The capital allowance rules are set out in Capital Allowances Act 2001 s163, where the term is defined.

general earnings

Tax term for all **earned income** except some items which are counted as employment income. The definition is given in Income Tax (Earnings And Pensions) Act 2003 s7(3).

- general equilibrium effects** Economic term for the indirect consequences of a change of policy, such as changing the rate or scope of a tax. An example is where a change leads to a change in tax revenue and thus to a change in government expenditure.
- generale tantum valet in generalibus quantum singulare in singulis**
Latin: when words are general, they are to be taken in a general sense, just as words relating to a particular thing are to be taken as referring only to that thing.
- general exclusion** Provision that excludes an item from a particular tax treatment by reference to a general provision. An example is given in Capital Allowances Act 2001 s46.
- general expenses** Routine expenses incurred on a day-to-day basis for normal activities.
- general false statement offence**
Under company law, "it is an offence for a person knowingly or recklessly —
(a) to deliver or cause to be delivered to the registrar [of companies], for any purpose of the Companies Acts, a document or
(b) to make to the registrar, for any such purpose, a statement, that is misleading, false or deceptive in a material particular"
(Companies Act 2006 s1112).
- general fund**
(1) Unit trust whose investments are not restricted to a particular area.
(2) For non-profit organisations, a fund which may be used for any purpose, as against a **restricted fund**.
- generalia specialibus non derogant**
Latin: general things do not derogate from special things.
- generalibus specialia derogant**
Latin: special things derogate from general things.
- general insurance** Insurance which covers most types of risk, such as for theft, loss and damage. It does not include life insurance.
- General Insurance Standards Council (GISC)**
Independent non-statutory organisation established on 3 July 2000 "to regulate the sales, advice and service standards of its members. The main purpose is to make sure that general insurance customers are treated fairly" (GISC website).
- general insurer** Term used in Finance Act 2007 Sch 11 para 3 in relation to technical provisions relating to the taxation of insurance business.
- Generalised System of Preferences (GSP)**
Part of the Customs system for calculating customs duties. A full list of participating countries is found in the Tariff.
- general issue** Old legal term for a plea of not guilty.

generalist	In human resources, a person who is able to perform many functions in an organisation.
general ledger	Ledger which records a organisation's income and expenditure which is not recorded in any other ledger. The term sometimes is used to mean the nominal ledger .
general legacy	Legacy of identifiable but not specified property.
general lien	Legal right to hold someone else's goods until they have paid a debt. For example, a repairer may hold goods until the repair bill is paid.
generally accepted accounting principles (GAAP)	Collective term for all relevant accounting standards . All accounts used for tax computations must comply with GAAP (Income Tax (Trading And Other Income) Act 2005s25 and Corporation Tax Act 2009 s56).
general manager	Person in charge of the overall administration of an organisation.
General Medical Council (GMC)	Statutory body which deals with discipline of medical practitioners. It is not a court, but must follow the principles of natural justice .
general mortgage bond	American term for a bond secured by a blanket mortgage on the issuing company's property, though it may rank after other one or more other mortgages.
general obligation bond	Municipal bond whose payments are guaranteed by the issuing authority.
general offer	Term used in relation to SAYE schemes for employees. It appears in Income Tax (Earnings And Pensions) Act 2003 Sch 3 para 37. The term is not defined in the Act, but its meaning was considered by the First Tier Tribunal in the case <i>Taylor. TC 2614 [2013]</i> . In particular, this case held that the Takeover Code should be considered, and that a general offer does not have to be made to all shareholders.
general office	Main administrative centre of an organisation.
general partner	Partner whose liabilities to the partnership are not limited.
general partnership	Partnership where all partners have unlimited liability.
general power	"A power or authority enabling the person by whom it is exercisable to appoint or dispose of property as he thinks fit" (Inheritance Tax Act 1984 s5(2)).
General Protocol	"The General Protocol relating to the collaboration of the insurance supervisory authorities of the Member States of the European Union" issued by the Committee of European Insurance and Occupational Pensions

Supervisors.” (FCA handbook)

General Prudential Sourcebook

“The General Prudential Sourcebook made by the Financial Services Authority under the Financial Services and Markets Act 2000.” (Income and Corporation Taxes Act 1988 s431(2)).

general purpose EBT

“Trust set up to provide employee with benefits other than

- share-related benefits under employee share schemes set up to give employees a stake in the company or group by which they are employed
- pension and other benefits under retirement benefit schemes
- accident benefits
- healthcare benefits.”

(Inspector’s Manual at BIM 44535).

The manual notes that such EBTs may be established for commercial reasons but that many are established for tax avoidance.

general purpose exemption (GPE)

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

It provides an exemption from the UK corporation tax charge where it can be demonstrated that profits have not been artificially diverted from the UK.

general purpose financial report

One of three types of **financial report** identified by **Statement of Principles for Financial Reporting**.

A general purpose financial report is prepared by the entity for general use and not for a specific purpose.

There are two types of report:

- **general purpose financial statements**; and
- **other types of general purpose financial report**.

general purpose financial statement

“Financial statements directed to the general financial information needs of a wide range of users who are not in a position to demand reports tailored to meet their particular information needs” (FRS 102 glossary).

One of two types of **general purpose financial report** identified by **Statement of Principles for Financial Reporting**.

A general purpose financial statement is prepared by the entity for general use. It includes the annual accounts, interim statements and the suchlike.

Most statements produced by an entity are general purpose financial statements.

For a limited liability company such statements would be: a balance sheet, a profit and loss account, a statement of recognised gains and losses and a cash flow statement.

general representative

“A person resident in the United Kingdom who is authorised to act generally, and to accept service of any document, on behalf of the firm”

(FCA handbook).

general reserve	Money set aside to be used in the future to meet unforeseen eventualities of any kind. Money set aside for a particular purpose is called a special reserve .
general secretary	For a trade union, this includes someone who holds an office which is similar (Trade Union and Labour Relations (Consolidation) Act 1992 s119).
general ship	Ship which carries goods generally, as against a chartered ship which carries goods for only particular persons.
general undertaking	Undertaking signed by directors of a company which is applying for listing on the Stock Exchange. The directors undertake to comply with the Exchange's listing requirements.
general warrant	Warrant for the arrest of people who are not named.
general words	Old term for words of description added to the parcel clause in a conveyance to transfer all the rights of property of the grantor. Such a clause was made unnecessary by Conveyancing Act 1881.
generating income from land	"Means exploiting an estate, interest or right in or over land as a source of income or other receipts " (Corporation Tax Act 2009 s207(1) and Income Tax (Trading and Other Income) Act 2005 s266(1)).
generation	The interval between a cohort of people being born and becoming parents themselves. Typically it is about 30 years.
Generation I	Term sometimes used to mean people born from 1994 who tend to have a particular aptitude for using the Internet.
Generation X	Term sometimes used to mean people born between 1965 and 1980.
Generation Y	Term sometimes used to mean people born between 1985 and the present.
generation skipping	Practice of avoiding inheritance tax by passing property directly to grandchildren.
genetic data	"Means personal data relating to the inherited or acquired genetic characteristics of an individual which gives unique information about the physiology or the health of that individual and which results, in particular, from an analysis of a biological sample from the individual in question (Data Protection Act 2018 s205(1)).
Geneva Convention	International agreement first made in Geneva, Switzerland in 1864 to impose humanitarian obligations on countries which capture enemy soldiers. The Convention was superseded in 1906. It has effect in UK law under Geneva Conventions Act 1957. The Red Cross operates under these Convention.

genius loci	Latin: the spirit of the place.
GENPRU	General Prudential Sourcebook.
gensaki	Japanese bond market where there are agreements for the sellers to repurchase the bonds at less than 12 months' notice.
gentleman's agreement	Understanding that is binding in honour only, and is not usually legally binding as a contract .
genuine commercial arrangements	Term used in Taxation of Capital Gains Act 1992 s103KG(14).
genuine commercial reasons	Provisions that can excuse a taxpayer from anti-avoidance legislation that would otherwise apply. An example is the law relating to the degrouping charge in a merger, as set out in Corporation Tax Act 2009 s789.
genuine diversity of ownership condition	Term used for diverted profits tax and which is defined in Finance Act 2015 s107(8).
genuine occupational qualification (GOQ)	<p>Characteristic which is needed for a particular job and therefore disapplies provisions of the sex discrimination law.</p> <p>Under Sex Discrimination Act 1975 s7, the GOQs are:</p> <ul style="list-style-type: none">• physical strength or stamina;• dramatic performance or similar entertainment;• for decency and privacy;• working in a private home;• working in premises which do not have adequate facilities for both sexes;• working in a single sex establishment;• working in a country whose customs or laws do not allow a woman;• where a job requires a married couple. <p>Under Race Relations Act 1976 s5, the GOQs are:</p> <ul style="list-style-type: none">• dramatic performance or similar entertainment;• modelling;• serving food in an ethnic restaurant;• providing assistance to a particular racial group. <p>Many of these provisions are subject to conditions.</p>
genuine triable issue	Real dispute which must be resolved before a bankruptcy may proceed.
GEO	Government Equalities Office.
geographical designation	Indication of place from which goods come. Customs may seize goods that have a false indication, as explained in Customs notice 34.

geographical immobility	Situation where resources do not freely move from one location to another. It is a particular problem in the labour market as people are reluctant to relocate.
geographical indication (GI)	Indicator of where spirits have been processed under Spirit Drinks Verification Scheme .
geographical segment	Geographical area where an entity operates and for which it can produce segmental reporting (SSAP 25).
geographic segmentation	Dividing a market into certain geographic regions eg towns, cities, countries or neighbourhoods.
geographic number	Telephone number that is identified by the area of its subscriber. In the UK this is usually denoted from 2001 by a number starting 01 or 02.
geographic spread	Investment policy in relation to the countries whose products are held.
geometric average	Another name for geometric mean .
geometric mean	Average calculated by multiplying numbers together and taking the root equal to how many numbers have been multiplied. The geometric mean of 2, 3 and 7 is thus the cube root of $2 \times 3 \times 7$, or $\sqrt[3]{42}$, which equals 3.476 (rounded). Note that the arithmetic mean would simply add them and divide by 3, giving 4. The FT-SE 100 index is a geometric mean. They are regarded as a better indication of trends than arithmetic means.
George I	King of Great Britain from 1714 to 1727.
George II	King of Great Britain from 1727 to 1760.
George III	King of Great Britain from 1760 to 1820. From 1811, his son (later George IV) ruled as Regent during the king's insanity.
George IV	King of Great Britain from 1820 to 1830.
George V	King of Great Britain from 1910 to 1936.
George VI	King of Great Britain from 1936 to 1952. Father of the Queen .
George, Eddie	English banker (1938-2009) who was governor of the Bank of England from 30 June 1993 to 30 June 2003.
George, Henry	American political economist (1839-1897) who pioneered the land value tax and developed the doctrine of Georgism . An attempt to introduce a form of his land value tax was made in the People's Budget of 1909.

George Cross	Award for bravery. Payments of pension or annuity in respect of the award are free of income tax (Income Tax (Earnings And Pensions) Act 2003 s638).
Georgia	Republic that became independent from Russia in 1995. Its currency is the lari of 100 tetri. The UK has a double taxation agreement of 2004, amended by a protocol of 2010. There is also a US state called Georgia.
Georgism	Doctrine espoused by Henry George (USA, 1839-1897) that a man may own what he creates but everything in nature (such as land, minerals, water and vegetation) should be commonly owned. He advanced tax principles to achieve such ends.
geothermal energy	For capital allowance purposes, this is treated as a mineral deposit (Capital Allowances Act 2001 s394(3)).
gerab	Old Hebrew coin worth one twentieth of a shekel.
German enemy property	Its post-war distribution is addressed by Distribution of German Enemy Property Acts 1949 and 1952.
German silver	Alloy of copper, zinc and nickel.
Germany	European country and member of the European Union, for which purpose the island of Heligoland and Büsingen are excluded. Since 1990, Germany includes the territory previously known as East Germany. The country was an enemy state of the UK during the world wars of 1914-18 and 1939-45. There are still provisions relating to enemy territory from the second war. There are also special tax provisions relating to payments of Nazi compensation . The currency is the euro of 100 cents. The UK has a double taxation convention of 2010. The UK also has a memorandum of understanding on termination payments of 2010, a memorandum of understanding on Article 26 mutual agreement procedure, and a bank levy double taxation agreement of 2011. There is also an amending protocol of 2010 that has not come into force.
Gesellschaft	German: commercial company formed by like-minded people.
gestation	Period of pregnancy between conception and childbirth. For the purposes of the law on perpetuities this is reckoned as nine months of 30 days.
GFCR	Gross finance costs relief for a year, as used in the formula in Income Tax (Trading and Other Income) Act 2005 s274A(4).
GGP	ISO code for Guernsey pound.
Ghana	West African state. Its currency is the cedi of 100 pesewas. The UK has a double taxation convention of 1993.

The previous double taxation treaty of 1977 was regarded as having come into force on 6 June 1978. In 1991 it was discovered that Ghana had not ratified the treaty which had the effect of rendering it ineffective as a **putative treaty** in the UK and in effect reinstating the treaty of 1947. For the period between 1977 and 1991, Inland Revenue allowed UK taxpayers the choice of the more favourable provisions.

GHG	Greenhouse gas.
ghost	Something which appears not to exist. In tax, the term is used for a person not known to the tax authorities.
ghost roadworks	When a road is subject to restrictions relating to roadworks but no work is being done. On 7 March 2017, the government abandoned plans to fine contractors up to £5,000 for ghost roadworks on the basis that they would engage people to “watch concrete dry”, and it would not reduce time spent.
GHS	ISO code for Ghanian cedi.
GHVL	Legend engraved on coins of William III of Netherlands. It stands for Groot Hertog Von Luxemburg, Grand Duke of Luxembourg.
GI	Geographical indication , used in the Spirit Drinks Verification Scheme .
GIB	Green Investment Bank .
Gibraltar Order	Common name for Financial Services and Markets Act 2000 (Gibraltar) Order SI 2001 No 3084.
Gibraltar pound	Currency of Gibraltar.
GICR	General insurance capital requirement .
gift	General Something which is given to someone without charge, a gratuitous transfer of property. For a gift legally to transfer property there must be intention by the donor to yield his title, and action sufficient to indicate transfer. A gift does not confer contractual rights unless made under seal. It is therefore common for gifts to be effected as a sale for a nominal amount such as £1. Deduction from trading profits For trading profits, a gift is an allowable expense provided that it: <ul style="list-style-type: none">• contains a conspicuous advertisement on the product itself (and not just on its wrapping),• does not comprise food, alcoholic drink or tobacco (or a voucher for such items); and• costs no more than £50.

(Income Tax (Trading And Other Income) Act 2005 s47 and Corporation Tax Act 2009 s1300).

Examples include calendars, diaries, pens, carrier bags and mouse mats. Further guidance is given in the Inspector's Manual at BIM 45070. Previous limits were:

From	Amount
1 April 2001	£50
6 April 1985	£10
6 April 1971	£2
6 April 1965	£1

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Third party gifts to employees

A gift to an employee from a third party, such as a supplier, legally belongs to the employer under the law of agency.

Where an employee is allowed to keep a gift, it may be a taxable benefit in kind as it arises from the employment even though it did not come from the employer.

There is a tax-free limit up to which such a gift is exempt:

From	Tax-free up to
6 April 2003	£250
6 April 1995	£150
6 April 1987	£100

Capital gains tax

For capital gains tax, a gift is a **disposal**.

The disposal proceeds are usually zero, so there is a **capital loss**. If the recipient pays capital gains tax, this amount may be deducted from any inheritance tax payable (Inheritance Tax Act 1984 s165).

Inheritance tax

For inheritance tax, a gift may be a **potentially exempt transfer**, usually where the donor lives for seven years after making the gift.

For a **conditionally exempt transfer**, a gift is defined "in relation to any transfer of value, means the benefit of any disposition or rule of law by which, on the making of the transfer, any property becomes (or would but for any abatement become) the property of any person or applicable for any purpose" (Inheritance Tax Act 1984 s42(1)).

Value added tax

For VAT, gifts are supplies. They may be taxable if their value is above a de minimis figure of £50. From 2012, this applies per supply. Further guidance on gifts is given in VAT notice 700.

Income tax

For income tax, a gift can be a taxable benefit to an employee if in truth it arises from the employment even where the employee has no contractual or

other legal right to the gift.

Donations to charity

A gift may be made tax-free to charity under **Gift Aid**.

Stamp duty

Some gifts were subject to stamp duty until 1985.

Gift Aid

Scheme which allows tax to be reclaimed on donations to charities from individuals or businesses.

The tax provisions are contained in Income Tax Act 2007 ss413-430.

Gift Aid was introduced on 9 October 1990. Before 6 April 2000, there was an upper limit on the amount of any donation.

From	Max donation
6 April 2000	No limit
6 April 1993	£250
7 May 1992	£400
9 October 1990	£600

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From 6 April 1998 there was a lower limit of £100 known as Millennium Gift Aid) for donations to low-income countries.

Before 19 March 1991, there was a £5 million limit on donors made by any one donor in one tax year.

gift aid declaration

A declaration that complies with HMRC requirements under the **Gift Aid** scheme (Income Tax Act 2007 s428(1)).

gift aid supplement

Addition to tax refunds to compensate for the reduction in tax rate in 2008. The reduction of the basic rate of income tax from 25% to 20% reduced the rate of tax recoverable by charities under Gift Aid from 28.2% to 25%. To provide a measure of transitional relief, for two years, the government allowed charities to reclaim at 28.2% and will fund the difference itself.

Gift Aid with no real gift

Tax avoidance scheme that sought to exploit the rules of Gift Aid by making a payment to charity but under arrangements whereby the charity received little benefit. On such scheme was **Project 2010**. These schemes have been successfully challenged by HMRC. Details can be found in HMRC's Spotlights 9 and 20.

gift and loan trust

Discretionary trust where a small sum is settled but a large sum is lent. The net value of the trust is therefore a small amount. It can be used to shelter significant capital growth.

gift book

Book intended to be given as a present.

gift coupon

Card or similar token which can be used to buy goods to a stated value, often from a stated store or group of stores.

gift-horse	Present whose intrinsic value should not be questioned.
gift in consideration of marriage	Such gifts may attract an exemption from inheritance tax as explained under marriage .
gift inter vivos	Gift given during the lifetime of the donor.
gift saving	Term used to describe certain provisions of Perpetuities and Accumulations Act 1964 that had the effect of allowing gifts in a will to be effective where they would previously have failed. One of these provisions is class-closing .
gifts of business assets	The capital gains tax implications are set out in Taxation of Capital Gains Act 1992 from s165.
gift tax	<p>US tax charged on lifetime transfers of wealth.</p> <p>Gift tax is governed by Chapter 12, Subtitle B of the Internal Revenue Code. The tax is imposed by section 2501 of the Code. For the purposes of taxable income, courts have defined a gift as the proceeds from a “detached and disinterested generosity.” Gifts are often given out of “affection, respect, admiration, charity or like impulses.”</p> <p>The tax has thresholds and several exceptions.</p>
gift token	<p>Voucher which may be exchanged for goods in a shop or range of shops.</p> <p>Under PAYE, if the token can be exchanged for cash or for something which is readily exchangeable for cash, provision by an employer is treated as payment in cash and is subject to income tax under PAYE and class 1 national insurance. If the token can only be exchanged for goods, the employee may be liable to pay income tax on its cost (unless covered by a PAYE settlement agreement or under the Taxes Award Scheme), and the employer is liable to pay class 1B national insurance.</p>
giga-	Prefix which means one billion, or multiplied by a factor of 10 ⁹ .
gild	<p>(1) Voluntary association formed in England in the Middle Ages for religious, benevolent, economic and social purposes. Many of these gilds still exist.</p> <p>(2) Cover or overlay with gold leaf or with any equivalent substance.</p>
gill	<p>Imperial unit of liquid capacity, equal to one quarter of a pint, 34.677 cubic inches or 568.26 millilitres.</p> <p>Until 1971, certain alcoholic drinks were dispensed as submultiples of a gill.</p> <p>The word has other meanings.</p>
Gill and Gill	<p>Court case of 2003 that led to a significant reduction in the use of civil CIF procedures for investigating suspected tax fraud, and led to changes in practice. Its citation is <i>R v Gill and Gill [2003] STC 1229, [2003] EWCA Crim 2256, [2003] 4 All ER 681</i>.</p> <p>Gill and Gill was a clothing partnership run by two brothers. In 1995, Inland Revenue interviewed them under the Hansard procedure then in</p>

operation. The brothers denied omissions from their trading figure. They were charged with cheating the public revenue. At their trial, Inland Revenue used material from these interviews. The brothers were convicted and imprisoned. They appealed on the grounds that the Hansard evidence was inadmissible.

The Court of Appeal held that the brothers should have been cautioned and the interviews recorded. However, the failure to do so did not provide grounds for overturning the convictions as there was still procedural fairness.

Gillespie ruling

Decision of the European Court of Justice in a 2004 case. It held that a woman receiving **statutory maternity pay** is entitled to have that pay recalculated if she receives a pay rise during her **maternity pay period**. The Gillespie ruling applies from 6 April 2005.

gillie

Scottish term for a young person who attends a huntsman or other horse-rider.

gillion

UK term meaning 1,000 million or a milliard. The term is a portmanteau word from giga- and million. It has now been replaced by **billion**.

gilt

An abbreviation for **gilt-edged securities**. These are bonds, loans etc issued by the UK government or UK local authorities and are generally considered to be one of the safer forms of investment.

Although the interest rate on the underlying value and the price at maturity are guaranteed, the price will vary during the lifetime of a gilt; so there is some element of risk.

gilt-edged

Description of paper with a gold-coloured border. Such paper was once used by the Bank of England for security certificates. Although such paper is no longer used, the term survives as a description of government-backed securities.

gilt-edged securities

Gilt-edged securities are a form of long-term government borrowing.

They are a promise to repay in the future and usually have a fixed term (for example 5 years). They pay a fixed level of interest which is determined when they are issued. Their value will vary inversely with changes in the level of interest rates.

If interest rates rise, then the fixed interest gilt will appear less attractive to investors and their value will fall. However, they are always redeemed at the end for their face value (original value).

gilt-edged security

For income tax on dealers in securities, "means a security which —

(a) is a gilt-edged security for the purposes of [Taxation of Capital Gains Act] 1992 (see Schedule 9 to that Act), or

(b) will be such a security on the making of an order under paragraph 1 of Schedule 9 to [Taxation of Capital Gains Act] 1992, if the making of the order is anticipated in the prospectus under which the security is issued" (Income Tax (Trading and Other Income) Act 2005 s153(1)).

gilt-edged stock

Another name for **gilt-edged securities**.

gilt strip	For loan relationship , the term is defined in Corporation Tax Act 2009 s403. The tax provisions are given in s401.
GIM	Prefix for HMRC's tax manual on general insurance.
gin	Alcoholic drink classified as a spirit for alcoholic liquor duty.
ginger	For VAT, the zero-rating for food applies to "ginger preserved in syrup, drained ginger or dusted ginger... as long as it is not held out for sale as confectionery". Standard-rating applies to "crystallised, sugared or chocolate covered ginger" (VAT notice 701/14).
Gini coefficient	<p>Measure of wage inequality in society developed by the Italian statistician Corrado Gini (1884-1965) and published in 1912. The coefficient is also known as the Gini index or Gini ratio.</p> <p>The coefficient is a number between 0 and 1. 0 means everyone earns the same, whereas 1 means a nation's income goes to just one person. Lower numbers indicate greater wage equality. The global coefficient is between 0.61 and 0.68. The higher coefficients are more readily achieved in poor countries. Among OECD countries, the coefficient is between 0.24 (Slovenia) and 0.49 (Chile).</p> <p>The formula is:</p> $G = \frac{\sum_i \sum_j x_i - x_j }{2 \sum_i \sum_j x_i}$ <p>In 2012/13, the Gini coefficient for the UK was 0.332.</p> <p>The coefficient measures overall income. To determine inequalities relative to particular wage rates, other measures such as the 50/10 ratio, 90/50 ratio and 99/90 ratio are used.</p>
Gingerbread	Charity dating back to 1918, though its current name dates from 1970. It provides advice, support and campaigns for single parent families.
Ginnie Mae (GNMA)	Common name for Government National Mortgage Association. This is a US-government owned body that raises funds and is traded on the US stock markets. It is regarded as a risk-free investment.
GIP	ISO code for Gibraltar pound.
girl	Female person under the age of 14. For national insurance, the term meant someone under 16.
Girl Friday	Young woman who acts as a general assistant. The term is an adaptation of Man Friday .
giro	Bank giro .

Girobank	Bank established in 1968 by the Post Office. In 2003, it was taken over by Alliance and Leicester. Some of its original functions are now provided by National Savings and Investments.
GISC	General Insurance Standards Council.
GISC facility	The dispute resolution facility established by the General Insurance Standards Council.
GIV	Gift inter-vivos. A gift made during a person's lifetime as opposed to a legacy, which passes on death.
give	In relation to postal services, "Where an Act authorises or requires any document to be served by post (whether the expression "serve" or the expression "give" or "send" or any other expression is used) then, unless the contrary intention appears, the service is deemed to be effected by properly addressing, pre-paying and posting a letter containing the document and, unless the contrary is proved, to have been delivered at the time at which the letter would be delivered in the ordinary course of post" (Interpretation Act 1978 s7).
Give As You Earn	Another name for payroll giving.
giving evidence	In relation to income tax relief for legal expenses of employees, the term "includes making a formal or informal statement or answering questions" (Income Tax (Earnings and Pensions) Act 2003 s349(4)(b) as inserted by Finance (No 2) Act 2017 s3).
giving exciseable liquor to children under five	This is a specific criminal offence in Scotland under Children and Young Persons (Scotland) Act 1937 s6.
GLA	Gangmasters Licensing Authority.
glacé fruits	These are brought within the definition of confectionery by Value Added Tax 1994 Sch 8 Group 1 Note (5). This means they are standard-rated for VAT.
Gladstone, William	English Liberal politician (1809-1898) who was Chancellor of the Exchequer for four periods between 1852 and 1882. He was prime minister for four periods between 1868 and 1894, twice serving under himself as Chancellor.
Gladstone sherry	Old term for a cheap sherry introduced in 1860 to exploit the reduction in duty announced in that year by Gladstone.
Gladstonian	Pertaining to Gladstone.
Glasgow Commonwealth Games	Athletic event from 4 March to 3 September 2014. Participants were given a special income tax exemption under Finance Act 2013 s9.

Glasgow Grand Prix	Athletics event from 5-14 July 2014. Those who take part may benefit from a specific tax exemption in Finance Act 2014 s47.
glass ceiling	Invisible barrier that can restrict a person's progression in an organisation. The term is often applied in relation to women and minority groups.
Glass Ceiling Act	American law of 1991 designed to eliminate promotional and similar barriers to workers from minority groups.
glasses	Glasses provided by an employer for someone who works with a computer screen may be exempt as a benefit under Income Tax (Earnings And Pensions) Act 2003 s320A.
glasshouse	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.
Glaucus swap	One-sided bargain. The term is based on the exchange of armour between Glaucus and Diomedes, where one was valuable and the other worthless.
GLD	Government Legal Department.
glean	Gather by hand by following those who pick crops at harvest.
glebe	Land traditionally owned by the church to provide an income to support the rector or vicar. A diocesan board of finance cannot be regarded as a charity in respect of administering such land (Charities Act 2011 s10(2)(b)).
GLO	Group litigation order.
global account	Aggregate accounts that must be produced by the Council of Lloyd's .
global accounting	Method of accounting for many small items rather than single items. Such methods are particularly used by retailers who sell large quantities of low value items. There is a special VAT procedure when people sell large quantities of second-hand goods, such as for stamp dealers and coin dealers. They may use the margin scheme for second-hand goods but calculate the margin on the difference between stock and purchases between accounting periods.
Global Competitiveness Report	Report produced in 2014 under the editorship of Prof Klaus Schwab of the World Economic Forum. It looks at the issues facing the global economy as the world recovers from the economic crisis of 2008.
global credit shock	Term used in Budget Report 2009 to describe events in mid-2007.

global depositary receipt (GDR)

In investing, a negotiable certificate that represents ownership of a stated number of shares. The GDR can be listed and traded independently from the underlying shares. It is most commonly used to make it easier for a resident of one country to invest in shares of a company in another country.

global fund

In investing, a fund that invests in many countries. The term is usually distinguished from an international fund in that the latter often does not invest in the home country.

globalisation

Trend towards trade being international rather than national.

global macro

Investment strategy based on movements in the world economy.

global relocation

In human resources, process of relocating staff to another country, or a general policy that permits that.

Global Reporting Initiative (GRI)

International organisation that produces guidelines on sustainability.

global star

Informal term for a person who is regarded as having such valuable skills that they can command a very high income in multinational businesses.

globe

For VAT purposes, a globe is not regarded as a map and therefore is zero-rated under Value Added Tax Act 1994 Sch 8 Group 3, according to VAT notice 701/10.

Gloucester Railway Carriage

Leading tax case on whether one trade or two is being carried out. The full name is *Gloucester Railway Carriage and Waggon Company Ltd v CIR [1925] 12TC720*.

The company unsuccessfully claimed that hiring railway wagons was a separate trading from making them. The case is discussed in the Inspectors' Manual at BIM33030.

glove-money

Old term for a gratuity given to an officer of a court or other servant.

glove tax

Excise duty charged between 1785 and 1794 on gloves and mittens in a similar manner to **hat tax**. It was considered futile and so repealed earlier.

glyptography

Art of engraving gems.

GM

Gross margin.

gm

Gram, measure of weight.

GMD

ISO code for Gambian dalsi.

gm/km

Grams per kilometre.

This is used to measure carbon dioxide emissions in car exhausts to determine the amount of vehicle excise duty payable, and the amount of **car**

benefit payable by an employee provided with a company car.

GMP	Guaranteed Minimum Pension.
GMPs	Stands for guaranteed minimum pensions and has the same meaning as in the Pension Schemes Act 1993.
GMW	Guaranteed minimum wage.
GNF	ISO code for Guinea franc.
GNMA	Government National Mortgage Association, a US government-owned body commonly called Ginnie Mae .
GNP	Gross national product.
goal	Objective of a person or organisation when identified as a single achievement.
goal achievement	In human resources, how well someone has progressed towards meeting an objective or goal.
goal setting	In human resources, the process of setting specific attainable goals to be met by an individual, group or organisation.
GOAT	Government of all the Talents. A term coined by Gordon Brown on inviting (or seeking to invite) into government those who were not Labour party politicians.
godless florin	Nickname for two-shilling coin minted in 1849. The name comes from the omission of "Dei Gratia" (by the grace of God) in the legend.
going concern	<p>Accounting</p> <p>The accounting basis which assumes that the entity will continue in being for the foreseeable future. The opposite is forced realisation.</p> <p>Users of accounts may assume that accounts have been prepared on this basis unless the accounts specifically state otherwise.</p> <p>Auditors are expected to consider this matter. They may express comments about going concern while not requiring the accounts to be prepared on an alternative basis. Examples include where there is an outstanding court case that could bankrupt the company, or where continuance on business is uncertain.</p> <p>FRS 102</p> <p>"An entity is a going concern unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so." (FRS 102 glossary).</p> <p>"An entity is a going concern unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future,</p>

which is at least, but is not limited to, twelve months from the date when the financial statements are authorised from issue" (FRS 102 section 3.9)

Previous accounting standards

"An entity should prepare its financial statements on a going concern basis, unless

- (a) the entity is being liquidated or has ceased trading, or
- (b) the directors have no realistic alternative but to liquidate the entity or to cease trading,

in which circumstances the entity may, if appropriate, prepare its financial statements on a basis other than that of going concern" (FRS 18 para 21).

Para 23 adds, "when preparing financial statements, directors should assess whether there are significant doubts about an entity's ability to continue as a going concern".

going concern basis The assumption that the business will continue operating into the foreseeable future.

going concern value Value of assets or a business on the assumption that it will continue trading for the foreseeable future.

going private When a **public company** becomes a **private company**.
It is the opposite of the much more common **going public**. Many companies, such as Virgin, have gone private.

going public (1) When a **private company** becomes a **public company**.
(2) When information which has been regarded as private or confidential is made generally known.

gold *General*
Naturally occurring element which has been regarded as a precious metal from earliest times. It has been widely used as a **means of exchange** and **store of value**. It is still used in coins and for bullion. It was the basis for the **gold standard**.

As a chemical element, it has the atomic symbol Au and atomic number 79. It has a yellow lustre. It is naturally a soft metal and is usually mixed with at least one twelfth of a base metal (often copper or nickel) to give it sufficient strength for jewellery and coinage.

The ISO currency code for gold bullion is XAU.

Gold is refined by different processes such as smelting and inquartation. Its purity is measured in **carats** where pure gold is 24-carat. The commonest measure is 22-carat which was used for British coinage from 1526 to 1930 (known as **crown gold**) and is widely used for jewellery.

Gold is also the symbol for 50, so a golden anniversary is a 50th anniversary.

Value added tax

For VAT, a supply of gold between a central bank to another central bank is zero-rated under Value Added Tax Act 1994 Sch 8 Group 10, as is a supply from the London Gold Market to a central bank.

Before 1 April 1980, this Group zero-rated all supplies of gold ingot and gold coins. **Gold coins** held for investment are exempt from VAT. **Investment gold** is subject to special provisions.

There is a duty for customers to account for VAT on supplies of gold (Value Added Tax Act 1994 s55).

Further guidance is provided in VAT leaflet 701/21.

goldbricker	Colloquialism for an employee who presents himself as more valuable than he really is.
gold-bricking	American term for a worker who gets his colleagues to do the work. The term comes from a swindle worked during the Gold Rush.
gold bullion	Gold in ingots or similar form of predetermined weight and provenance.
gold card	Charge card or credit card which offers holders a higher limit than other cards. They were largely introduced in the 1980s amid efforts then to see them as a status symbol.
gold coin	<p>Coin made from gold, and now used solely as a store of value.</p> <p>Gold has been a medium of exchange from earliest times. In Britain gold coins ceased to be used for general circulation during the first world war (1914-18) when replaced by banknotes. Gold coins are still produced for bullion purposes. Eight gold coins remain legal tender: the sovereign, half sovereign and gold £2 and £5 coins, plus the four Britannia coins.</p> <p>For VAT, a gold coin is exempt as an investment gold coin if its purity is at least 900 parts per 1000 and it is one of a long list of bullion coins produced on EU list C291/23. British coins on this list include sovereigns and half sovereigns, Britannia coins, gold £2 and £5 coins and specially minted gold 50p pieces. Before 1 April 1982, gold coins were exempt simply if they were legal tender in the country of issue. Details are provided in VAT notice 701/12A.</p> <p>Gold coins more than 100 years old may benefit from a VAT scheme for antiques.</p>
gold collar employee	American term for a person who has skills in great demand. Typically this includes scientists and engineers.
gold-digging	Practice of looking for someone wealthy to sue, particularly the practice of investors suing auditors of a company which becomes insolvent.
golden bowler	Old term meaning dismissal from the Army followed by a job as a civil servant.
golden cross	In investment, what happens when the short moving average (perhaps over 20 days) crosses above the long moving average (perhaps over 50 days). This may be seen as indicating that market sentiment favours that security.
golden goose	Business jargon for a company's most valuable asset or product.

golden handcuffs	Monetary incentive to make it too expensive for staff to leave.
golden handshake	Large amount paid to a director or other senior employee at the end of their employment or service contract. Such payments may be tax-free.
golden hello	<p>Payment to an individual to persuade a person to become an employee. The inspectors' manual at EIM00700 states that this is taxable as employment income under Income Tax (Earnings And Pensions) Act 2003 s62. Cases on this include <i>Glanre Engineering Ltd v Goodhand [1982] 56TC165</i> concerning an accountant, and <i>Shilton v Wilmshurst [1991] 64TC78</i> concerning a footballer.</p> <p>At EIM00710, this position is qualified when the golden hello is a payment to give up a right, which is not taxable as employment income. In <i>Jarrold v Boustead [1964] 41TC70</i>, a signing-on fee paid by a Rugby League club to a Rugby Union player was held to be compensation for losing amateur status. (It should be noted that the rules of Rugby have since changed.)</p> <p>HMRC state that golden hellos are also subject to class 1 national insurance, though some commentators question the correctness of this interpretation.</p>
golden parachute	Generous compensation package to laid off staff.
golden rule	<p><i>Interpretation of Acts of Parliament</i></p> <p>One of the methods for interpreting an Act of Parliament. (The other main methods are the mischief rule and literal rule.)</p> <p>The golden rule means that words are given their ordinary meaning unless this leads to absurdity. The rule was summarised in the case <i>River Wear Commissioners v Adamson [1877]</i>. An example of an unsuccessful attempt at an absurd interpretation in a tax case was <i>Hallamshire Estates Ltd v Walford. SpC 412 [2004]</i>.</p> <p><i>Economic principle of Gordon Brown</i></p> <p>Principle announced by Gordon Brown MP when he became Chancellor of the Exchequer in the 1997 that income and expenditure must balance over the economic cycle.</p> <p>This was originally defined as the period from 1999 (when the new Labour government was no longer following the plans of the previous Conservative government) to 2006/07.</p> <p>The golden rule has been amended at least four times:</p> <ul style="list-style-type: none">• the cycle was backdated to 1997;• spending on roads was excluded;• government subsidy to railways was excluded; and• the end of the cycle was put back to 2008/09.
golden share	Share held by the government in certain privatised companies. The golden share contains special powers such as the right to veto a foreign takeover bid.
golden shower	Slang for a bribe.
golden skirt	Colloquial (and probably perjorative) term for a woman manager who may be engaged primarily to demonstrate an organisation's commitment to equal

opportunities rather than for her abilities. The term started to gain currency around 2011.

gold fixing

System where the price of gold is fixed twice a day in US dollars in the Gold Exchanges of London, Paris and Zurich.

gold grain

Pebble-like pieces of gold, about 3mm in diameter and supplied in various purities. It is used to make jewellery. From 29 November 1995, this is included within the scope of **gold** for VAT purposes.

Goldilocks

In economics, the status of an economy that is believed to be progressing neither too fast nor too slowly.

The term comes from the children's story where the favoured soup was neither too hot nor too cold.

gold-plating

Practice of the British government to add provisions to EU directives and other rules, most of which are written in very general and unspecific terms.

gold point

Amount by which a currency linked to a **gold standard** may vary in price.

gold reserves

A country's store of gold held to pay international debts.

gold standard

International monetary system where the value of currency and other assets is based on the value of gold. Great Britain adopted the standard between 1821 and 1914, and between 1925 and 1931

The UK permanently left the gold standard in 1931.

Most countries were on the gold standard between 1894 and 1914.

In the USA, the gold standard was the basis of coinage under their Coinage Act 1873. The USA abandoned the gold standard in 1933.

golf club

Whether one is a mutual trade is discussed in the Inspectors' Manual at BIM24350. There have also been several VAT cases about golf clubs.

golfer

A golfer may retire on a personal pension at the age of 40, provided:

- 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.

(SI 2005 No 3451, as explained in the Inspector's Manual at RPSM 03106035).

go long

In investment, the purchase of a share or other security in the belief that its value will increase and it can be sold for a gain.

Gombeen man

Old Irish term for a money-lender.

GOMC

Gas Oil Marker Concentrate, a composite marking solution containing the prescribed gas oil markers quinizarin and Solvent Red 24. GOMC is used to mark fuel on which duty has been paid at a reduced rate and which is not,

therefore, to be used as fuel for road vehicles.

Gomez case

The European Court of Justice decision in *Maria Paz Merino Gómez v Continental Industrias del Caucho SA [2004]*.

This established that a woman is entitled to take her annual leave after any period of maternity leave.

good-cheap

Old expression that means a good bargain.

good faith

When acting from honest motives. It can be relevant in particular circumstances, particularly:

For the purposes of bills of exchange, cheques and promissory notes, "a thing is deemed to be done in good faith, within the meaning of this Act, where it is in fact done honestly, whether it is done negligently or not" (Bills of Exchange Act 1882 s90).

For the purposes of a **holder in due course** of a **bill of exchange**, if it appears that there was any fraud, duress, force, fear or illegality, there is not good faith unless the holder proves otherwise (Bills of Exchange Act 1882 s30(2)).

In employment, good faith means that someone acts from a proper motive even if the decision subsequently proves to be unwise. This concept is relevant in such areas as trustee insurance and **whistleblowing**.

good faith bargaining

American term for the conduct of negotiations in a spirit of seeking an agreement that is fair to both parties.

Good Friday

Friday before **Easter Day** that commemorates the crucifixion of Jesus Christ. It is a **bank holiday**.

The word Good means holy.

Goodman's croft

Old Scottish superstition that a corner or strip of a field should be left untilled so that the spirit of evil will not damage the crop.

goodness of fit

In statistics, a comparison of the expected distribution of samples with the actual results to see how far it conformed to expectations. It can be used in such areas as to see if a pattern of daily sales is normally distributed.

goods

Definition

Items for sale which have a tangible form, as against a supply of **services**.

In law, goods are all chattels personal other than money, legal actions and items attached to the ground (such as growing crops).

Various statutes also offer limited definitions:

- "shall include wares and merchandise" (Factors Act 1889 s1(3)).
- "includes stores and baggage" (Customs and Excise Management Act 1979 s1(1)).

Consumer protection

The term "means any tangible moveable items, but that includes water, gas and electricity if and only if they are put up for supply in a limited volume or set quantity" (Consumer Rights Act 2015 s2(8)).

Value added tax

For VAT, a distinction is often made between goods and services. This affects such matters as:

- the period for which input tax may be claimed on pre-registration purchases, and
- the **place of supply** rules for intra-EU trade.

Good Samaritan	One who helps another in their time of need. The term comes from the parable in Luke 10:20-37 in the Bible.
goods and chattels	Moveable personal possessions. [The term is an example of lawyer's design to use two terms when one will suffice, as all chattels are legally goods.]
goods and services tax	Canadian tax on goods and services, which operates in a manner similar to VAT.
goods being acquired by a person in another member state	Term defined in Value Added Tax 1994 s92(2)(b).
goods' first destination	For VAT, "the place mentioned on the consignment note or any other document by means of which the goods are imported into the United Kingdom, or in the absence of such documentation means the place of the first transfer of cargo in the United Kingdom" (Value Added Tax Act 1994 s21(2)).
goods imported for private purposes	It is not possible to claim VAT input tax for such goods (Value Added Tax Act 1994 s27).
goods in free circulation	Goods of wholly Customs Union origin (including component parts), or goods imported into the Union on which all the import formalities have been completed, and all the duty due has been paid and not repaid in whole or part.
goods in transit	Goods that are in the process of being supplied from a supplier to a customer. This is a specific category of insurance risk.
goods received	Goods which have been received by an organisation during an accounting period.
goods received note	Internal document which may be produced within an organisation, such as from a goods yard to the purchasing department as part of the process for authorising payment of an invoice.
goods vehicle	"Vehicle of a construction primarily suited for the conveyance of goods or burden of any description" (Income Tax (Earnings And Pensions) Act 2003 s115(2) and s235(6)). For reimbursement of business journeys by car, "means a mechanically

propelled road vehicle which —

(a) is of a construction primarily suited for the conveyance of goods or burden of any description, and

(b) is not a motor cycle" (Income Tax (Trading and Other Income) Act 2005 s94G(3)).

For international road permits, "means a motor vehicle registered under the Vehicle and Excise Registration Act 1994 which (alone or in combination with one or more other vehicles drawn by it) is constructed or adapted to carry or haul goods or burden of any description" (Haulage Permits and Trailer Registration Act 2018 s1(5)).

good till cancelled (GTC)

Instruction to a broker that remains in effect indefinitely until specifically cancelled by the client.

goodwill

Definition

Value of a business above the value of its **net assets**. It is usually expressed as a multiple of annual profits.

"Future economic benefits arising from assets that are not capable of being individually identified and separately recognised" (FRS 102 glossary).

The tax treatment follows the accounting treatment: "in this Part "goodwill" has the meaning it has for accounting purposes (and includes internally-generated goodwill" (Corporation Tax Act 2009 s715(3)).

Goodwill includes internally generated goodwill, but this must accord with accounting standards. Goodwill is not recognised for tax purposes just because it appears in the accounts (*Greenbank Holidays Ltd v HMRC [2011] UKUT B11*).

Goodwill on **acquisition** is the difference between the **fair value** of the amount paid for an investment in a **subsidiary** and the **fair value** of the **net assets** acquired.

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The accounting requirements for goodwill reflect the view that goodwill arising on an acquisition is neither an asset like other assets nor an immediate loss in value. Rather, it forms the bridge between the cost of an investment shown as an asset in the acquirer's own financial statements and the values attributed to the acquired assets and liabilities in the consolidated financial statements.
FRS 10 from para c.

Tax

For tax purposes, a leading authority in goodwill was given in the case *IRC v Muller & Co Margarine Ltd [1901]*: "it is a thing very easy to describe, very difficult to define. It is the benefit and advantage of a good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first stage".

From 1 April 2002, tax relief may be obtained for purchased goodwill. This is usually 4% a year. The provisions are given in Corporation Tax Act 2009 Part 8. Previously, goodwill could attract both stamp duty and capital gains tax.

HMRC's guidance on goodwill changed in September 2008. Previously goodwill was classified as personal, inherent or free. Under a Practice Note

issued on 30 January 2009, HMRC now considers that goodwill should be separated from other intangible assets. The Note sets out how this should be done. This is particularly significant when an existing business is incorporated by its current owner.

The change follows the decision in the case *Balloon Promotions Ltd v Wilson* [2006] SSCD 167 which abolished the "zoological classification".

There is also guidance in Tax Bulletin 76.

goodwill

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What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in customs. It is the one thing which distinguishes an old established business from a new business at its first start.

IRC v Muller & Co Margarine Ltd [1901] AC 217 HL

Google

Widely used **search engine**. The company also offers other services such as e-mail and social networking.

Google Chrome

Computer **browser** offered by Google.

googol

The number 10^{100} , that is 1 followed by 100 zeros.

goose

For VAT, geese for food are zero-rated, but ornamental geese are standard-rated.

VAT notice 701/15 states that the former includes Brecon Buff, Chinese Commercial, Embdem, Roman, Toulouse and derivatives and crossbreeds of these.

gooseberry

Slang term for an unwanted third person in a conversation or meeting.

goose egg

American slang for zero.

goose fair

Fair held around Michaelmas in many English towns. Historically they were primarily for the sale of geese.

goose-trap

Old colloquialism for a swindle.

go public

Process by which a company lists its shares on a stock exchange. There are many legal formalities which must be followed.

Gordon Moody Association

Body that offers residential courses for those with a gambling addiction.

Gorffennaf

Welsh: July.

Goschen, George

English Liberal politician (1831-1907) who was Chancellor of the Exchequer from 14 January 1887 to 11 August 1892.

gospel of wealth

Term that has been used with different meanings.

The most common derives from an article of that name by Andrew Carnegie in June 1889. He argued that the new class of self-made rich people then emerging in the USA should address wealth inequality in society by using

their surplus for the common good.

go to the wall

To be pushed aside, in allusion to the rush on pavements by those who are rushing.

Goulburn, Henry

English Conservative politician (1784-1856) who was Chancellor of the Exchequer for two periods between 1828 and 1846.

gourde

Currency of Haiti.

Gold coins for 20 to 1,000 gourdes may be regarded as gold investment coins for VAT purposes (VAT notice 701/12A).

Gourley

The legal principle that a court award for compensation should reflect the tax which would have been payable. For example compensation for loss of earnings should reflect the tax which would have been payable on those earnings.

This principle was established in the case *British Transport Commission v Gourley [1955]*.

governing body

For financial services, "the board of directors, committee of management or other governing body of a firm, or recognised body, including, in relation to a sole trader, the sole trader" (FCA handbook).

government

Collective term for the people and bodies which run the country, including ministers and Parliament.

Government Accounting Service (GAS)

Part of HM Treasury whose function is to ensure that the government operates best accounting practice.

Government Actuary's Department (GAD)

Body that "provides actuarial analysis to the public sector from the public sector.

"Our claim is to be a highly valued principal provider of actuarial analysis and advice to all parts of the UK Government and other relevant UK and overseas public bodies" (GAD website).

government backed

Description of any activity, service, product or other thing which the government supports in any way.

government bonds

Gilts and other bonds and securities issued by the government to those prepared to lend it money. Such bonds are treated by their holders as investments.

Government capital expenditure

Government spending on assets that last for many years. This may include investment in hospitals, schools, equipment and roads.

government contract

Contract to supply goods or services to a government department or body.

government contractor	Business which supplies goods or services to a government department or body.
government controlled	Description of anything under the control of a government body.
Government current expenditure	Government spending on recurring items. This includes salaries and wages that keep recurring, spending on consumables and everyday items that get used up as the good or service is provided.
government economic indicators	Statistics which show how well the country is performing.
Government Gateway	An Internet portal operated by the UK Government that provides UK citizens and businesses with a convenient way to link up their usage of various online services provided by a range of Government departments.
government grant	“Assistance by government in the form of a transfer of resources to an entity in return for past or future compliance with specified conditions relating to the operating activities of the entity. Government refers to government, government agencies and similar bodies whether local, national or international” (FRS 102 glossary).
government grants	(1) Money provided by government to a business. Such state aid is generally prohibited or restricted under EU law. Historically various forms of grants were made, of which regional development grants were particularly important. (2) Payment by the Government towards the cost of local-authority services. These are either for particular purposes or services (specific grants) or to fund local services generally (revenue support grant).
government grants deferred account	The amount of money given to a local authority by government to spend on assets that have a lasting value, for example, land and buildings. This amount is reduced each year as the value of the asset reduces due to wear and tear.
government investment	Funds provided by the government to assist a business. Corporation Tax Act 2010 s92 contains provisions regarding the tax treatment when such investment is written off.
government loan	Money lent by the government.
Government pilot scheme	Pilot scheme for testing in-work credits such as universal credit. It was introduced by Finance Act 1996 and is defined in SI 2004 No 575.
government regulated	Description of activity regulated by the government beyond the general law.
government sponsored	Description of activity sponsored by the government.

government stock	Another term for government bonds .
government stroke	Australian slang for taking a long time to do a job.
government support	Financial, practical or moral assistance provided by the government for a project or campaign which is run outside the government.
governor	(1) Person in charge of an important body, such as Bank of England or a British colony. (2) In USA, member of the Federal Reserve Board . (3) In USA, person who is the head of an individual state. The adjective for this definition is gubernatorial.
Governor-General	"includes any person who for the time being has the powers of the Governor-General, and "Governor", in relation to any British possession, includes the officer for the time being administering the government of that possession." (Interpretation Act 1978 Sch 1).
GOWA	Government of Wales Act 2006. It established the Welsh Assembly. The Act has been amended by Wales Act 2014.
Gower Report	Report produced in 1985 by Prof Laurence Gower (1913-1997) on regulation of financial markets. It led to Financial Services Act 1986, now replaced by Financial Services and Markets Act 2000.
Gowers Report	Report produced in 2006 by Andrew Gowers (1957-) into the protection of intellectual property.
gown and town	Relationship between a university and its local town.
GP	General practitioner, a local doctor who sees patients.
GPE	General purpose exemption.
GPhC	General Pharmaceutical Council.
GPM	Graduated payment mortgage.
GPP	Group Personal Pension.
Gr8	Texting abbreviation: great.
grace	(1) Favour shown, such as allowing an extended time period. (2) State of mind which promotes kindness.
grace and favour	Residence provided free by the Crown to a notable person.

grace days	Three days sometime added to the date of a commercial bill of exchange. Such a bill is held not to have been dishonoured if paid by the third day.
graceless florin	First issue of the florin because there was not enough room for the legend DG, which stands for Deo Gratia, by the grace of God. It was alleged that this was deliberate as Richard Leilor Sheil, the master of the Mint, was a Catholic. The coins were called in and recast.
grace period	For insurance, the specified period after a premium payment is due, in which the policyholder may make such payment, and during which the protection of the policy continues.
grade A lawyer	<p>In terms of calculating fee income, solicitors are often categorised as A, B or C broadly as:</p> <ul style="list-style-type: none">• A more than eight years post-qualification experience,• B between four and years experience,• C less than four years experience. <p>The amount of fee is a matter of commercial negotiation between the solicitor and client. Disputes can be resolved by the court.</p>
Gradgrind	Someone who measures everything very carefully. From the character in Charles Dickens' novel <i>Hard Times</i> .
gradual	Slow and steady.
graduate	Person who has passed the exams of a university or professional body. For most professional bodies, a graduate soon becomes a member on submission of references and other personal details.
graduated income tax	Income tax where the rates increase on successive slices of income.
graduated pension	<p>Government-backed additional pension scheme which operated for employees between April 1961 and April 1975.</p> <p>The employees bought units at the rate of one for every £7.50 earned by a man or £9 earned by a woman. The maximum number of units that could be bought was 86 for a man or 48 for a woman. The number of units for a woman have now been adjusted to the same number as for a man.</p> <p>Each unit buys a small amount of additional pension added to the state retirement pension.</p>
graduated payment mortgage (GPM)	Mortgage which starts at a lower rate and then moves to higher rate.
graduated taxation	Tax system where the rate of tax increases in line with income or (rarely) spending.
graduation	Taxation procedure whereby larger amounts are subject to more tax, not just by being of larger amounts but by being taxed at a higher rate. Income tax became graduated from 1907 with the introduction of super-tax (replaced by

supertax). Stamp duty land tax is also graduated.

graduation of charge	System of relief from estate duty granted in respect of gifts and business assets. Relief was granted by Finance Act 1960 ss64 and 65 respectively. These provisions were repealed by Finance Act 1975.
grain	Imperial unit of weight equal to 64.79891 milligrams. There are 7000 grains to the pound, or 437.5 to the ounce. The original grain was of barley because it varies so little.
grain alcohol	Ethanol produced by fermentation of grain, as in producing liquor .
graining	Crenulations around the edge of a coin.
gram (gm)	Basic unit of weight in the metric system. It was originally defined as the weight of a cubic centimetre of water. There are 28.3 grams to an ounce; and 15.4 grains to a gram. A gram is about the weight of a paper clip or ballpoint pen top.
gramme	Alternative spelling of gram .
grandchild	In the context of capital gains tax on trusts, "means a child of a child" (Taxation of Capital Gains Act 1992 Sch 5 para 2(7) and 2(10) and 9(11)).
grande marque	Mark of a famous make of motor car.
grand larceny	Old term for the offence of stealing property worth more than one shilling before 1827.
grand total	Final total from adding sub-totals.
grange	Granary or monastery farm where grain was stored, and from which rates and taxes and kind were sometimes paid. Originally, it meant the farm of a monastery.
granny annex	Part of a building built or adapted as separate living accommodation for a dependant relative (not necessarily a grandmother). For council tax, this is a separate self-contained unit if a person can live independently in it. It is not necessary for the annex to have independent access from outside (<i>James v Williams [1973]</i>).
granny bond	A bond issued by the UK government with enhanced interest or tax privileges but restricted in availability to persons of pensionable age.
granny tax	Name given by the press to the phased abolition of age allowance as announced in the 2012 Budget.
grant	Donation made to a body, usually as a single payment for a specific object.

grant ad collaged bona	Grant of representation that is limited to a particular purpose. It allows the administrator to whom it is granted to deal with an aspect of a deceased's estate, such as selling perishable goods.
grant caeterorum	Grant of representation that follows an initial grant regarding limited property. The grant caeterorum gives the administrator power over the remaining assets.
grant clause	Clause in a contract that grants a right, particularly an exclusivity right for a geographical area in a franchise agreement.
grant date	<p><i>Accounting</i></p> <p>"The date at which the entity and another party (including an employee) agree to a share-based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement. At grant date the entity confers on the counterparty the right to cash, other assets, or equity instruments of the entity, provided the specified vesting conditions, if any, are met. If that agreement is subject to an approval process (for example, by shareholders), grant date is the date when that approval is obtained" (FRS 102 glossary).</p> <p><i>Disguised remuneration</i></p> <p>Term used in relation to disguised remuneration (Income Tax (Earnings And Pensions) Act 2003 s554L(1)(c)).</p>
grantee	Individual or organization that receives a grant . Also called a donee.
grant funding	Provision of funds to a charity, such as from a local authority. Ordinarily, this is outside the scope of VAT (VAT notice 701/1). It may come within the scope of VAT, if it takes the form of third party funding .
grant of confirmation	Proof of legal authority required by the person entrusted with dealing with the deceased's estate in Scotland.
grant of double probate	"A grant of representation where one executor does not wish to prove the will and the right to join others later is reserved. When the non-proving executor wishes to take up office later, a grant of double probate is made. Application for this is made on the form Cap A5C which is available from the Probate and IHT Helpline on 0845 3020900" (HMRC inheritance tax glossary).
grant of letters of administration	Proof of legal authority required by a person dealing with the estate of a deceased person, when there is no will or where the will is invalid.
grant of letters of administration with will annexed	Proof of legal authority required by a person dealing with the estate of a deceased person when there is either a will with no executor named, or where the executors are unable or unwilling to apply for the grant.

grant of option	Giving the option-holder a right to acquire shares in the future. Options must be granted under seal or deed or for consideration (usually a nominal amount such as £1" (Inspectors' Manual at BIM 44001).
grant of probate	When probate is given to an executor on the estate of a deceased person.
grant of representation	Proof of legal authority required by a person dealing with the estate of a deceased person.
grantor	Individual or organization that makes a grant . Also called a donor.
grant pendent lite	An interim grant of representation which is effective for a limited sum, such as while a will is being contested.
grants	Term used for some ancient taxes such as the two parliamentary grants of taxation in 1487 of tenths and fifteenths for the Battle of Stokes, at the end of the War of the Roses.
graphic design	For VAT, the services of a graphic designer in designing brochures could not come within the scope of zero-rated brochures (<i>A P Carpenter [1996] VTD 15253</i>).
grasshopper	Traditional sign for goldsmiths and bankers. It comes from the crest of Thomas Gresham (1519-79) who founded the Royal Exchange. It was the logo for Martin's Bank.
grasskeep	Alternative name for a grazing licence .
grassroots sport	Sport played at a local and amateur level. From 1 April 2017, expenditure may qualify for corporation tax relief under Corporation Tax Act 2010 s217A as inserted by Finance (No 2) Act 2017 s22(5).
grassum	Ancient fine paid in money by a tenant on taking or renewing possession of a lease.
grass widow	Old term for an unmarried mother. By 19 th century, the term meant a woman temporarily parted from her husband.
gratis	Colloquialism meaning free, at no charge.
gratis dictum	Latin: mere assertion.
gratuitous intent	Intention for a transfer to be a gift or bounty , even if some charge is made for it. Gratuitous intent is a requirement for a disposition to come within the scope of inheritance tax. If there is no such intent, such as in an arm's length sale, the transaction cannot come within the scope of the tax.

gratuity

Definition

Money given to someone in appreciation for their services but which is not legally required, such as a tip.

Income tax and national insurance

Such payments are usually subject to income tax in the hands of the recipient. Whether they are also subject to class 1 national insurance depends on how it was provided. If paid other by the employer, such as when a customer leaves cash on a table for the waiter, there is no class 1 national insurance payable. The waiter is obliged to declare the gratuity to HMRC, but the employer is not obliged to deduct PAYE.

Inheritance tax

A gratuitous gift can come within the scope of **inheritance tax**.

gravamen

Substantial or chief ground of complaint or accusation.

grave digging

For VAT, this is an exempt supply if provided as part of a funeral service. Further details are given in VAT notice 701/32.

gravel pit

Profits from a quarry 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).

gravestone

For VAT, this is a standard-rated supply even when provided as part of an exempt funeral service. Further details are given in VAT notice 701/32.

graveyard shift

Colloquialism for a work shift that spanned midnight. The term was coined by munition workers in the second world war.

graving-dock

Dry dock for cleaning and repainting ships.

gravity

In relation to beer duty, "means the ratio of the weight of a volume of the liquid to the weight of an equal volume of distilled water, the volume of each liquid being computed as at 20°C" (Alcoholic Liquor Duties Act 1979 s3(1)(a)).

Gray's Inn

One of the four **inns of court**.

grazing licence

Licence granted for a period of less than 12 months which allows the licensee to graze animals or take grass from land for a season.

The existing of such a licence does not affect the ownership of the land, so **agricultural relief** at the higher rate may still be claimed for such land.

grazing rights

For VAT, such rights are usually zero-rated unless part of a wider supply. The exact scope is explained in VAT notice 701/15.


GRC

Gender recognition certificate.

grease

Slang term for money, especially a bribe.

grease the palm	Slang: pay a bribe.
grease the wheels	Make things run smoothly, usually by provision of further funds.
Great Britain	Britain (England and Wales) plus Scotland (Union with Scotland Act 1706). The United Kingdom comprises Great Britain plus Northern Ireland.
great custom	Another name once used for export taxes .
great depression	Term used for a period of years in which the economy performed so badly that there was extreme poverty for a large part of the population. In particular, the term refers to the period from 1875 to 1882 in Britain when the crops repeatedly failed because of bad weather. (Sometimes it used for the Great Slump between 1929 and 1931.) It also refers to the USA in the 1930s.
greater fool theory	Business jargon for the notion that there is always someone willing to pay a higher price.
great gross	The number 1728 as a quantity. This is 144 (gross) multiplied by 12. It was used for match duty .
great seal	Chief seal used by the monarch on formal documents.
Great Teacakes Case	Name given to the protracted legislation between Marks and Spencer plc and Customs and Excise (as it was) which started in 1994 about VAT on teacakes. The company sold teacakes were basically chocolate-covered marshmallow on a biscuit base. The company standard-rated them as biscuits but in 1994 the court held that they were zero-rated cakes. The company attempted to claim back all the VAT it had added to the price since the tax was introduced in 1973. This was restricted by the three-year cap, which the company challenged, eventually winning a limited concession from the European Court of Justice. Customs then refused to repay more than 10% of the £3.5 million being claimed on the grounds of unjust enrichment in that the company could not repay the VAT to its customers.
Greece	European state that is a member of the European Union. Its currency is the euro of 100 cents. In 2015 it was bailed out for a third time by the EU under a tough austerity programme. The UK has a double taxation convention of 1953 and a road transport agreement of 1978.
Greek gift	Treacherous gift, named after the Trojan Horse.
green	The term has come to mean environmentally-friendly.
greenback	American banknotes as first printed in 1862 because the back of the notes was printed in green.

Green Belt	Stretch of countryside around a city, particularly London, where special provisions exist to restrict building development.
Green Budget	Report from the government on what it intends to include in the next Budget .
green card	(1) Special insurance card issued in the UK which allows a car to be driven in most other countries. (2) Identity card and work permit issued by the American authorities to someone going to work there.
green channel	Customs term for the exit at a port or airport to be used by a traveller from outside the European Union, who is carrying no banned or restricted goods, and no goods in excess of the personal allowance.
green currency	Form of theoretical currency once used in the European Union for making agricultural payments. Each country had its own currency fixed to this currency, known as green pounds, green francs etc.
Green, Damian	Welsh-born Conservative politician (1956-) who was Secretary of State for Work and Pensions from 14 July 2016 to 11 June 2017, and first secretary of state from then to 20 December 2017.
green diesel	Rebated fuel for road vehicles as supplied in the Republic of Ireland. In the UK, such fuel may be used whenever red diesel is legal.
Green Dot	(1) A scheme administered and licensed by Valpak. Licensees may use the symbol below on their packaging:  This denotes that the supplier has made a financial contribution towards recycling. It does not mean that the package can be recycled. The symbol is not required, but may be used, in the UK which uses the Packaging Waste Recovery Note (PRN) system. (2) Banking corporation founded in 1978.
green form	Form for giving free or subsidised Legal Aid .
green gold	Colloquialism for the value which can be obtained by extracting reusable materials from waste.
green light	Permission to proceed, from traffic lights.
greenmail	American term for the practice of a takeover target buying back its own shares from a predator at an inflated price in return for the takeover being

abandoned.

- Green Paper** Report from the government on *intended* legislation. Options which are merely being considered are published in a **White Paper**.
- green pound** Form of theoretical currency once used in the European Union for making agricultural payments in the UK.
- green report** Part of a company's report which deals with environmental matters.
- greenback** Colloquialism for the US dollar, so called because of its prime colour. The term has been used since such notes were introduced in 1862.
- Greenbury Report** Report published in 1995 as a follow-up to the **Cadbury Report**. It dealt with director remuneration.
- Green Deal** Policy announced in the June 2010 Budget to promote energy efficiency in the home. (Red Book para 1.79)
- Greene Committee** Committee that reported in 1926, leading to changes in company law in Companies Act 1929. Its main changes were shorter objects clauses, simpler procedures for a change of company name, the concept of capital maintenance, and clearer liquidation procedures.
- greenhouse gas** "Any one of the following:
(a) carbon dioxide;
(b) methane;
(c) nitrous oxide;
(d) hydrofluorocarbons;
(e) perfluorocarbons;
(f) sulphur hexafluoride."
(Climate Change and Sustainable Energy Act 2006 s26(1)).
Basically the same definition is also given in Finance Act 2007 s16(6).
- Green Investment Bank (GIB)** Bank established by government to provide funding for environmental projects. It is set up under Enterprise and Regulatory Reform Act 2013, which received Royal Assent on 25 April 2013. The Bank was officially launched on 28 November 2012. It has offices in London and Edinburgh.
It was provided with initial funding of £1 billion from public funds. It is allowed to borrow from 2015.
The government disposed of its interests under Enterprise Act 2016 from s37.
- greenmail** Practice of buying many shares in a company, threatening to take it over, and as a consequence being able to sell the shares back at a profit.
- Greenspan, Alan** American economist (1926-) who was chairman of the Federal Reserve from 1987 to 2006.

green wax	Historically an estreat (certified extract from an official record) was issued under the seal of the Court of Exchequer using green wax.
Greenwich mean time	“Subject to section 3 of the Summer Time Act 1972 (construction of references to points of time during the period of summer time), whenever an expression of time occurs in an Act, the time referred to shall, unless it is otherwise specifically stated, be held to be Greenwich mean time” (Interpretation Act 1978 s9).
Gregorian calendar	Calendar devised by Pope Gregory XIII to correct some of the anomalies in the previous Julian calendar. In 1752 this was adopted in the UK under the Calendar (New Style) Act 1750 which is still in force.
Gregory Peck	American actor (1916-2003). His name is cockney rhyming slang for cheque .
GREIT	Prefix for HMRC's tax manual on guidance on real estate investment trusts.
gremlins	Imaginary gnomes that are frequently blamed for malfunctioning of machinery or systems.
Grenada	Island state in the Atlantic Ocean. Its currency is the East Caribbean dollar of 100 cents. The UK has a double taxation convention of 1949 amended by an arrangement of 1968.
Gresham's law	Maxim that bad money drives out good money. It was stated by Sir Thomas Gresham to Elizabeth I in 1558.
Gretna Green marriage	Runaway marriage of a couple who could not get parental consent. Gretna Green was the first accessible Scottish village to English people. The first such marriage was in 1754 when Marriage Act required parental consent for those under 21 in England and Wales, but not in Scotland. Scots law allowed boys to marry at 14 and girls at 12, and only required that their declaration be made before two witnesses. The blacksmith's shop was a popular place. Despite subsequent changes in law, Gretna Green in Dumfries and Galloway remains a popular place for marriage.
Grexit	Term coined in 2015 for the possible exit of Greece from the eurozone.
grey-coat parson	Someone who farmed the tithes.
grey hen	Old name for a large stone bottle for holding liquor.
grey knight	Person who makes a bid or counterbid for a company and whose intentions are not clear. The term comes from the fact that the bidder is neither a white knight nor a black knight.
grey market	For shares, unofficial market, particularly in new shares which are traded before the official market opens. For goods, products that infringe trade marks and copyright. (This term

is used in Customs notice 34).

During the war, the term was used for an unofficial market in rationed goods that was considered less serious than the black market.

grey-sourcing

Finding staff from retired or elderly people.

greywater

Water that is re-used straight from a bath, shower, washing machine or similar. Equipment that uses greywater was added to the list of environmentally friendly equipment that qualifies for a 100% first year allowance from 7 August 2013 under SI 2013 No 1762.

GRI

Global Reporting Initiative.

grid or radar delay condition

In relation to wind generating stations, this term is defined in Electricity Act 1968 s32LL as inserted by Energy Act 2016 s79.

grievance hearing

"A grievance hearing is a meeting at which an employer deals with a complaint about a duty owed by them to a worker, whether the duty arises from statute or common law (for example contractual commitments)." (ACAS guidance on discipline and grievances).

grievances

"Grievances are concerns, problems or complaints that employees raise with their employers." (ACAS guidance on disciplines and grievances).

grifter

American slang for a trickster or conman.

grist

Product produced during the brewing process from milled malted barley.

grist to the mill

Using everything available to you. Grist means the entirety of corn available for crushing at a mill.

gritter

"A vehicle is an excepted vehicle if it is constructed or adapted and used, solely for the conveyance of machinery for spreading material on roads to deal with frost, ice or snow (with or without articles or materials used for the purposes of the machinery)" (Hydrocarbon Oil Duties Act 1979 Sch 1 para 8).

grizzly screen

Machine for crushing boulders into useable aggregate.

The extent to which such a machine is used can be relevant for determining liability to **aggregates tax**.

groaning

Term once used in relation to the time immediately after a woman has been given birth, as in groaning chair — the chair she sits in.

groat

Silver coin worth 4p (four old pence before decimalisation in 1971). The coins are still made for **Maundy money** and are still legal tender. The last groats for circulation were minted between 1835 and 1887.

grocer

Seller of stable foods and general household items.

grog	Colloquialism for spirits . The term originally meant rum diluted with water.
grogging	Extracting spirits from the wood of casks. It is illegal under Alcoholic Liquor Duties Act 1979 s34.
grog ration	Ration of free rum provided to naval ratings between 1740 and 1970.
groschen	Old Austrian coin worth one hundredth of a schilling. It was minted as a small silver coin between 13 th and 19 th centuries.
gross	(1) A figure which includes an element excluded in the net equivalent. For example, gross profit is turnover minus cost of sales. Net profit requires the further subtraction of overheads. (2) 144, particularly as a quantity of items for sale.
gross amount	In relation to wages, "means the total amount of those wages before deductions of whatever nature" (Employment Rights Act 1996 s27(4)). In relation to manufactured dividends, the term is defined in Income Tax Act 2007 s589.
gross assets requirement	Requirement that the tax relief under Enterprise Investment Scheme depends on the company having gross assets no greater than £7 million before investment and £8 million after investment (Income Tax Act 2007 s142 and s186). The similar provision for VCT relief (Income Tax Act 2007 s297).
gross attributable tax	Aggregate of sums of tax paid by controlled foreign companies in the territories where they operate. A full and more detailed definition is given in Income and Corporation Taxes Act 1988 Sch 26 para 4.
gross covenant	Deed of covenant that specifies the amount of income, including tax, that the donor is assigning. This was much less common than net covenants. It meant that when the rate of income tax changed, the donee received the same net figure and the donor paid a different amount.
gross division approach	Method of apportioning an estate where the residue of the estate is shared between exempt and non-exempt beneficiaries (such as a charity) so that they each receive the same gross figure before deducting inheritance tax. This may avoid the need for double grossing up . The matter was considered in the case <i>re Ratcliffe [1999] STC 262</i> .
Gross Domestic Product (GDP)	"A measure of economic activity. It is the sum of all goods and services produced by a country over a given time period (usually a year). A rise in GDP shows the economy is growing, whilst falling GDP means the economy is contracting. GDP can be measured in three ways: <ul style="list-style-type: none">• Income (the value of the income generated mostly in terms of profits and wages);• Output (the value of the goods and services produced); and• Expenditure (the value of the goods and services purchased)." (HM Treasury glossary).

gross earnings	Total earnings before tax, national insurance and other deductions.
grossed-up equivalent	In relation to occupational pension schemes, “the grossed-up equivalent of the employee’s share of the minimum contributions is the sum which, after deduction of income tax at the basic rate in force for the tax year for which the minimum contributions are paid, is equal to that amount” (Finance Act 2004 s202(4)).
gross equity method	In accounting, method where the investor’s share of assets, liabilities, profits, gains and losses are shown on the face of the balance sheet and profit and loss account (FRS 9).
gross estate	Total value of a person’s property and other assets before deductions for liabilities such as debts and taxes.
gross floorspace	Total external floorspace, particularly of shops and other retail units, excluding exterior walls.
gross gaming yield	The gaming yield consists of two parts. For games where the house is the banker, the yield is the total value of stakes minus the value of players' winnings. For games where the bank is shared among the players, the yield is the total of participation charges ('table money'), exclusive of VAT. The gross gaming yield is the sum of these two amounts.
gross income	Salary, wages or similar before deduction of tax and national insurance.
gross interest	Interest earned before tax is deducted.
gross investment in a lease	“The aggregate of: (a) the minimum lease payments receivable by the lessor under a finance lease; and (b) any unguaranteed residual value accruing to the lessor” (FRS 102 glossary). A previous UK standard defined it as the total of lease payments plus residual value accruing to the lessor at a stated point in time (SSAP 21).
gross margin	Sales minus cost of sales before deducting administration and selling expenses (another name for gross profit). Usually applied when discussing a particular line of activity.
gross margin ratio	Gross profit as a percentage of sales.
gross misconduct	Misconduct by an employee which is considered sufficiently serious to justify summary dismissal . Examples which may comprise gross misconduct include fighting, drunkenness, sleeping on duty, repeated disobedience, theft, vandalism, violent behaviour, possessing illicit drugs and harassment. It should be noted that the determining factor is not the seriousness of the offence, but its consequence for any continuing relationship. ACAS defines gross misconduct as “generally seen as misconduct serious

enough to destroy the employment contract between the employer and employee and make any further working relationship and trust impossible”.

Gross misconduct is generally seen as misconduct serious enough to overturn the contract between the employer and the employee thus justifying summary dismissal. Acts which constitute gross misconduct must be very serious and are best determined by organisations in the light of their own particular circumstances.

However, examples of gross misconduct might include:

- theft or fraud
- physical violence or bullying
- deliberate and serious damage to property
- serious misuse of an organisation's property or name
- deliberately accessing internet sites containing pornographic, offensive or obscene material
- serious insubordination
- unlawful discrimination or harassment
- bringing the organisation into serious disrepute
- serious incapability at work brought on by alcohol or illegal drugs
- causing loss, damage or injury through serious negligence
- a serious breach of health and safety rules
- a serious breach of confidence.

If an employer considers an employee guilty of gross misconduct and thus liable for summary dismissal, it is still important to follow a fair procedure as for any other disciplinary offence. This will include establishing the facts of the case before taking any action, holding a meeting with the employee and allowing the employee the right of appeal. It should be made clear to the employee that dismissal is a possibility. A short period of suspension with full pay to help establish the facts or to allow tempers to cool may be helpful.”

(ACAS guidance on grievance and discipline procedures)

Gross National Product (GNP) Annual value of goods and services produced in a country.

gross pay Amount an employee earns before any deductions are made.

gross-paying government securities

For income tax, “means —

(a) gilt-edged securities (see section 1024), or

(b) securities which are the subject of a Treasury direction under section 894(1) or (3)”

(Income Tax Act 2007 s893(2)).

gross premium The actual premium paid by a policy holder before any tax relief or discount is taken into account.

gross profit Sales minus cost of sales before deducting administration and selling expenses (see also **gross margin**).

gross profit **Turnover** minus **cost of sales**, but before **expenses** have been deducted.

gross rate	Interest earned on an investment before tax is deducted.
gross receipts	Total amount of money received before expenses are deducted.
gross receipts tax	<p>Tax that was levied in European countries before they adopted value added tax. Such a tax was never levied in the UK.</p> <p>The tax was levied on all sales income, so goods that had passed from manufacturers and suppliers would be taxed more than once. VAT avoids this problem by refunding the purchaser's tax.</p>
gross roll-up business	<p>"Business of the following kinds:</p> <ul style="list-style-type: none">(a) pension business;(b) child trust fund business;(c) individual savings account business;(d) life reinsurance business; and(e) overseas life assurance business"<p>(Income and Corporation Taxes Act 1988 s431EA).</p><p>Further tax provision is made in Finance Act 2007 s38 and Sch 7.</p>
gross salary	Salary before income tax, national insurance and other deductions.
gross sales	Income from sales before deductions for such matters as discounts, commissions and returned goods.
gross spending	The overall cost of providing a local authority's services before allowing for government grants or other income.
gross tonnage	<p>Official weight of a ship as defined under Merchant Shipping Acts.</p> <p>For VAT purposes, this may be calculated by a special formula given in VAT Notice 744C where there is not otherwise known. A ship is generally zero-rated if its gross tonnage exceeds 15 tonnes.</p>
gross transfer to non-technical account	Term used in Income and Corporation Taxes Act 1988 s444AJ(3) in relation to the taxation consequences when there has been a transfer of an annuity business.
gross turnover	Income from trading activity before most deductions. The figure taken usually includes any VAT and other duties charged on sales, but excludes trade discounts given to customers. In short, it is simply a total of all invoices issued during the accounting period.
gross up	<p>Increase a number, so that when a percentage is extracted the original number is arrived.</p> <p>The formula is:</p> $G = \frac{100N}{100 - N}$ <p>where N is the net percentage, and G is the gross percentage.</p> <p>This means that the Gross equivalent for the net of 20% is 25%. This means that if you increase a number by 25%, you get back to the original</p>

number by subtracting 20%. For example, £100 can be grossed up by 25% to give £125. If 20% is deducted from this figure, we return to £100.

Grossing up is needed in tax for determining the assessable value of an employee benefit when the employer agrees to pay the tax, such as in a PAYE settlement agreement. It may also be used in determining prices to allow for discounts.

The grossed-up equivalents of some rates are given in the table below.

Rate	Grossed-up rate
5%	5.263%
10%	11.111%
15%	17.647%
17.5%	21.21%
20%	25%
25%	33.333%
40%	66.667%
45%	81.818%
50%	100%

gross yield

Profit from investments before tax is deducted.

groszy

One hundredth of a zloty, currency of Poland.

ground hog day

American celebration on 2 February (which is also Candlemas in the church calendar). It is believed that the ground hog emerges from hibernation on this day.

ground landlord

Person who owns the freehold of a leased property.

ground rent

Sum paid by a leaseholder to the owner of the freehold. This is usually a small figure.

groundwater

“All water which is below the surface of the ground and in direct contact with the ground or subsoil” (Flood and Water Management Act 2010 s6(4)).

group

Definition

Economic **entity** formed by a **parent** and one or more **subsidiaries**.

Official definitions include:

- “Parent undertaking and its subsidiary undertakings” (Companies Act 2006 s474).
- “A parent and all its subsidiaries” (FRS 102 glossary).
- “A parent undertaking and its subsidiary undertakings” (FRS 2 para 9).

Company law and accounting standards require a group to produce a single set of accounts as if the group were a single company. This is known as **consolidated accounts**.

Group relief

In taxation, a loss made by one company in a group may be offset against the profits of another under **group relief**.

The relevant tax provisions can be found in Corporation Tax Act 2009 from s764.

Value added tax

For VAT, a group may make a **group registration** (Value Added Tax Act 1994 from s43). For this purpose, the parent company may choose which companies to include in the group.

Specific definitions

For corporation tax on banks, the term is defined in Corporation Tax Act 2010 s269BD.

group accounts	Accounts of a holding company and its subsidiaries which have been prepared as if they were one company.
groupage	<p>For Customs purposes, a procedure whereby a number of small consignments are loaded together to form a single, larger consignment. This must be carried out as part of a contract to transport the goods.</p> <p>For VAT, care must be taken to ensure that the groupage arrangement provides enough documentary evidence when goods are zero-rated on being supplied to a customer in another EU member state.</p>
group accounting period	<p>For loan relationship, the term “means —</p> <ul style="list-style-type: none">(a) any accounting period of the member company beginning on or after 1 October 2002, or(b) any accounting period of a group member which —<ul style="list-style-type: none">(i) begins on or after that date, and(ii) corresponds to such an accounting period of the member company” <p>(Corporation Tax Act 2009 s370(1)).</p>
group allowance allocation statement	In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DG.
group allowance nomination	In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DF(1).
group annuity contract	In relation to taxation of annuity business, “means a contract between an insurance company and some other person under which the company undertakes to become liable to pay annuities to or in respect of such persons as may subsequently be specified or otherwise ascertained under or in accordance with the contract (whether or not annuities under the contract are also payable to or in respect of persons who are specified or ascertained at the time the contract is made” (Finance Act 1991 Sch 7 para 16(7)).

group balance sheet	Balance sheet of a holding company and its subsidiaries which has been prepared as if they were one company.
group contract	A contract of insurance made with an employer or other entity not formed for the purpose of obtaining insurance that covers a group of persons identified by reference to their relationship to that entity. Several different types of insurance may be arranged on this basis, including life, critical illness, income protection, private medical, etc.
group critical illness scheme	A scheme that will pay a cash lump sum to members diagnosed as suffering from one of a range of specified illnesses and conditions.
group health insurance	Health insurance written on a number of people under a single master policy, issued to their employer or to an association with which they are affiliated.
group incentive	Incentive provided by an employer to a group of workers, to encourage them to meet an objective.
group income protection	<p>Group Income Protection Insurance (also known as Permanent Health Insurance, or PHI).</p> <p>It gives sick and injured employees a replacement income, and provides the means for the employer to retain staff even when they are not contributing to the business. The benefit (typically) becomes payable when the company's sickness scheme ends and continues as long as the employee's absence lasts, right up to normal retirement age.</p>
group insurance	Any insurance taken out for individuals by an employer, trade body or similar. The insurance is usually for death and illness. The premium is usually lower than if the individual took out such a policy himself or herself.
group life insurance	Group Life is designed to pay a benefit, in either lump sum form or as a dependants' pension, on the death of the member.
group litigation order (GLO)	<p>"An order of a court providing for the case management of actions which give rise to common or related issues of fact or law" (Finance Act 2007 s107(6)).</p> <p>Several such orders have been issued for tax disputes.</p>
group mismatch scheme	<p>Tax avoidance scheme that seeks to exploit differences in the way that loans are accounted for in different countries.</p> <p>An example is that company A takes an interest-bearing loan from group company B in another country, where A's accounting treatment accrues the finance cost of the loan but B does not.</p> <p>The anti-avoidance tax provisions are contained in Corporation Tax Act 2010 from s938A.</p>
Group of Seven	Original name for the G7 countries .
group permanent health insurance	An alternative name for Group Income Protection .

group personal pension (GPP)

An arrangement between a provider and an employer to offer personal pensions to employees. Charges may be lower because of the numbers involved, and the employer may also agree to contribute. A GPP is not an occupational pension scheme.

group proceedings

In Scotland, there are legal provisions in Civil Litigation (Expenses and Group Proceedings) (Scotland) Act 2018 s20.

group profit and loss account

Profit and loss account for a holding company and its subsidiaries which has been prepared as if they were one company.

group reconstruction

Current accounting standard

"Any of the following arrangements:

- (a) the transfer of a shareholding in a subsidiary undertaking from one group company to another;
- (b) the addition of a new parent entity to a group;
- (c) the transfer of equity holdings in one or more subsidiaries of a group to a new entity that is not a group entity but whose equity holders are the same as the group's parent; or
- (d) the combination into a group of two or more entities that before the combination had the same equity holders" (FRS 102 glossary).

Previous accounting standard

"Any of the following arrangements:

- (a) the transfer of a shareholding in a subsidiary undertaking from one group company to another;
- (b) the addition of a new parent company to a group;
- (c) the transfer of shares in one or more subsidiary undertakings of a group to a new company that is not a group company but whose shareholders are the same as the group's parents;
- (d) the combination into a group of two or more companies that before the combination had the same shareholders" (FRS 6 para 2).

group registration

When a group of companies registers as if it were one company. This applies to VAT. One company in the group must be designated as the **representative member**.

group registration

When two or more corporate bodies account for tax as a single taxable person. All members of a VAT group are jointly and severally liable for any tax due to HMRC from the representative member of the group.hotmail

group relief

When a revenue loss suffered by one company may be offset against the profit of another company in the same **group**. For these purposes, there must be a 75% relationship. The relief is given by Corporation Tax Act 2010 Part 5.

For a sub-subsidiary, there must be an effective 75% control. So if A owns 80% of B which owns 80% of C, A and C are not a group as A only has 64% effective control of C.

Capital losses may not be offset by group relief, but the asset itself may be transferred between group companies on a no gain/no loss basis. For this

purpose, group companies mean where there is 75% effective control or more than 50% indirect control. So in the example above, A and C *would* be group companies.

Provisions for group relief for oil companies is given in Corporation Tax Act 2010 from s305.

Stamp duty land tax relief may be claimed for property transactions under Finance Act 2003 Sch 7 para 1.

group relief company

In relation to capital allowances on special rate cars “means —

(a) a company to which group relief under Part 5 of Corporation Tax Act 2010 would be available (on the making of a claim) in respect of balancing allowances surrendered by the taxpayer in the taxpayer’s final chargeable period, and

(b) a company to which relief would be available (on the making of a claim) in respect of balancing allowances surrendered by a company within paragraph (a)”

(Capital Allowances Act 2001 s104F(10)).

group results

The results of a holding company and its subsidiaries which have been prepared as if they were one company.

group sale

In relation to wholesaling of controlled liquor, a sale where the buyer and seller are members of the same group of companies (Alcoholic Liquor Duties Act 1979 s88A(6)).

group scheme

In relation to employee share schemes, “ an employee share scheme set up by the parent company of a group under which share-related benefits are provided to employees of nominated companies in the group” (Inspectors’ Manual at BIM 44001).

group service company

Company in a **group** that provides a service to other companies, such as payroll.

A reasonable charge from such a company is a tax-allowable expense, are discussed in the Inspectors’ Manual at BIM38230. If unreasonable, it may raise issues of **transfer pricing**.

group strategic report

A **strategic report** that must be prepared by a group of companies under Companies Act 2006 s414A(3).

group subsidiary

In VAT, a member of a **group registration** which is not the representative member.

group surcharge allowance

In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DF.

group-think

Psychological idea developed by Irving J Janis (1918-1990), an American psychologist in the 1960s to explain disastrous policies that had been followed by the US government.

It is the desire of a group of people to maintain cohesion within the group by the suppression of personal misgivings and the exclusion of any

contrary views from outside the group.

group transfer

In relation to corporation tax on employee share schemes, “means a transfer of a business, or part of a business, from one company that is a member of a group to another company that is, or two or more companies that are, members of the group” (Corporation Tax Act 2009 s1004(3)).

Growing Places Fund

Government fund announced on 18 September 2011 “to unblock stalled local infrastructure projects and stimulate further private sector investment” (Autumn Statement 2011).

growth

Expansion, particularly of a business.

Business growth is usually of two kinds: **acquisitive growth**, where new businesses are acquired, and **organic growth** where the existing business grows through increased activity.

growth and income fund

Unit trust or other investment scheme that seeks to provide investors with a mixture of income and capital growth.

growth bond

Bond that provides capital growth rather than income.

Growth Capital Fund

Government-supported fund to provide growth capital of between £2 million and £10 million for small and medium-sized enterprises that cannot otherwise obtain funding.

growth fund

Unit trust or other investment fund that invests in small companies that are expected to grow. Such a fund has a higher risk/reward profile and pays little or no income.

growth investing

Strategy of investing in companies seen as fast-growing with a view to securing a high capital growth rather than income.

growth oriented

Description of a portfolio where growth is the prime consideration.

growth stocks

In investment, shares or similar securities in companies that are expected to grow in value more than their industry or national average.

grub stake

Arrangement whereby someone provides a gold prospector with tools in return for a share of his finds. By extension, the term is sometimes used for similar arrangements in other ventures.

grubstreet

Old colloquialism for needy authors and writers.

The term comes from an old road in Cripplegate, London where such people lived. The road was renamed Milton Street in 1830.

GSA

In relation to corporation tax surcharge on banks, this abbreviation is used in the formula in Corporation Tax Act 2010 s269DI(5).

GSP	Generalised System of Preferences , term used in connection with Customs duties.
GST	Goods and Services Tax.
GTC	Good till cancelled.
GTCE	General Teaching Council for England.
GTQ	ISO code for Guatemalan quetzal.
GTS	Gambling tax service.
GU	Gastric ulcer. Common abbreviation for sick notes (HMRC leaflet E14).
guarantee	(1) Period during which faulty goods may be returned. For consumer contracts, there are provisions in Consumer Rights Act 2015 s30. (2) Legal undertaking to pay someone else's debt if they fail to pay it. (3) Obligation to pay a sum to compensate a loss, such as by members of a company limited by guarantee , or as financial security required for some warehouse premises and all movements of duty suspended excise goods from an excise warehouse.
guarantee credit	One of two elements of the state pension credit . The other is the savings credit (State Pension Credit Act 2002 s2). This element ensures that a pensioner's income is made up to an appropriate minimum guarantee.
guaranteed annuity rate (GAR)	The minimum rate which a pension provider will pay as a pension.
guaranteed cheque	Cheque whose honouring is guaranteed by use of a cheque guarantee card , as indicated by a number written on the back. Such cards were issued from 1965 and withdrawn from 1 July 2011. From the 1980s, a guarantee card was often combined with the functions of a debit or credit card.
guaranteed death benefit	Life assurance policy in which there is a minimum sum payable on death.
guaranteed growth bonds	Fixed term investments, typically between 3 and 5 years, where you invest a lump sum and are guaranteed either a minimum return or that you won't lose capital.
guaranteed income bond	A single premium insurance contract providing payments at regular intervals for a fixed period at the end of which the premium is returned.
guaranteed minimum pension (GMP)	The minimum pension which an occupational pension scheme must provide as one of the conditions of contracting out in respect of pre April 1997 service. "The minimum pension which a salary-related occupational pension scheme must pay a member in respect of contracted out contributions paid

between April 1978 and April 1997, as a condition of contracting out" ((CA 84 Stakeholders Pension Scheme Manual, published by HMRC).

GMP was replaced as a condition by the **reference scheme test** from April 1997.

guaranteed minimum period	Another term for the guarantee period for pensions.
guaranteed return	One of the hallmarks of a tax planning scheme of which taxpayers are advised to be wary, if the taxpayer appears to be involved in no risk.
guaranteed trust	Unit trust that guarantees that its unit value will fall below a pre-agreed figure. This is achieved by the trust keeping some of its gains.
guaranteed wage	Wage which the employer promises will not fall below a stated figure.
Guaranteeing Association	Organisation that is approved by HMRC to issue Transports Internationaux Routiers (TIR) Carnets.
guarantee payment	Payment made to an employee who would normally be engaged for work one day but where the employer has no work (Employment Rights Act 1996 s28). The amount is revised each year from 1 February.
guarantee period	<p>The period for which an insurer will guarantee a quoted rate prior to it being accepted.</p> <p>The period for which a guaranteed annuity will continue regardless of the survival of the annuitant</p>
guarantor	Someone who undertakes to pay someone else's debt if they fail to pay it. In tax, it specifically means the person who undertakes to pay to HM Customs and Excise a sum of money up to the level of a guarantee, for example a bank or a building society.
guardian	<p>Person who has responsibility for a child but who is not the child's parent. Such an arrangement is made under Children Act 1989 either privately by a parent or by a court. The guardian automatically assumes parental responsibility for the child.</p> <p>For child trust funds, the term "means a guardian of a child within the meaning of section 5 of the Children Act 1989, section 7 of the Children (Scotland) Act 1995 or Article 2(2) of the Children (Northern Ireland) Order 1995 as the case may be" (Child Trust Funds Regulations SI 2004 No 1450 reg 2(1)(b)).</p>
guardian ad litem	Person appointed to represent minors in legal action.
guardian's allowance	<p>Addition to child benefit when the child is an orphan.</p> <p>It is paid under Social Security Contributions and Benefits Act 1992 s77.</p> <p>This benefit is not subject to income tax (Income Tax (Earnings And Pensions) Act 2003 s677).</p>

guardianship order	Order granted by a court allowing a person to deal with the financial and administrative affairs of a missing person who has not been seen for 90 days (Guardianship (Missing Persons) Act 2017 s2).
Guatemala	South American state. Its currency is the quetzal of 100 centavos. The UK has no double taxation treaty.
Guernsey	<p>One of the Channel Islands. It is a possession of the British Crown but is not part of the UK. It is not a member of the European Union but is part of its Customs union. Its currency is the Guernsey pound of 100 pence. It has the same value as UK currency but Guernsey currency is not legal tender in the UK. The island has low tax rates. Much of its economy is in the financial sector.</p> <p>The UK has a double taxation arrangement of 2009 and a tax information exchange agreement of 2009.</p>
guerdon	Old name for a reward or recompense.
GUI	Graphical user interface. A graphics-based means of communicating with a program, especially an operating system or window manager.
guilder	<p>(1) Currency of Aruba.</p> <p>(2) An old gold coin of Netherlands and Germany.</p> <p>(3) The currency of Netherlands before it adopted the euro.</p>
guilder shares	Shares issued in the USA as an equivalent amount of shares in a Dutch company. This gets round the law in Netherlands that a company make not issue American depository receipts.
guillotine	Old piece of office equipment which has a wooden base against which a sharp lever slices of edges of paper. It is now largely replaced by the trimmer .
guillotine motion	Motion moved in Parliament or other forum restricting the time available to debate a matter.
Guinea	East African state. Its currency is the Guinea franc of 100 centimes. The UK has no double taxation treaty.
guinea	<p>Gold coin first minted in 1663 with a value of 20 shillings, the same as a sovereign. The name comes from the African country which provided the gold.</p> <p>Its value increased to 30 shillings in 1694, fell to 21s 6d between 1698 and 1717, before settling at 21 shillings from 1717. The coin was last minted in 1813, but the guinea remained as a popular measure of currency until decimal currency in 1971, from when it quickly fell from use.</p>
Guinea-Bissau	East African state. Its currency is the West African CFA franc of 100 centimes. The UK has no double taxation treaty.

gulden	For VAT, gold investment coin issued by Austria and listed in VAT notice 701/12A.
gun cotton	Substance included in the list of explosives for which there are special Customs provisions (Explosives Act 1875 s3(1)).
gun money	Coinage issued in Ireland in 1689 and 1690 made from old cannon and other metal objects.
Gunning fog index	<p>Measure of the readability of English text, developed by the American businessman Robert Gunning in 1952.</p> <p>The formula is</p> $\text{Index} = 0.4 [(W/S) + 100(CW/W)]$ <p>where W is the number of words S is the number of sentences CW is the number of complex words.</p> <p>The required reading age is roughly the index plus 6.</p> <p>The Office of Tax Simplification has been applying this index to passages of tax law.</p>
gunpowder	Explosive material. It may only be manufactured at licensed premises (Explosives Act 1875 s4). There are special Customs provisions regarding its export (Customs and Excise Management Act 1979 s75) and import.
gun-runner	Person who smuggles guns into a country.
Guthrum	Fine quality of silver, from the silversmiths of 13 th and 14 th centuries.
gutta cavat lapidem	Latin: the drop wears away the stone. (Quote from Ovid)
Guyana	South American state. Its currency is the Guyana dollar of 100 cents. The UK has a double taxation convention of 1992.
GVS	General Valuation Statement. In Customs, this is a form used as a 'season ticket' in place of individual valuation declarations.
GYD	ISO code for Guyana dollar.
gyp joint	American slang for an overpriced business establishment.

H

H

Council tax

For council tax, the highest band of property values (except in Wales). It applies to properties of these values:

- in England, above £320,000 in 1993
- in Wales, between £286,001 and £400,000 from 1 April 2005, and

above £240,000 before;

- in Scotland, above £212,000 in 1993.

A band H property is subject to council tax at twice the rate for an average band D property.

Tax code

Suffix used in **tax codes** up to 2002/03. Until 2000/01, it meant that the taxpayer was entitled to the higher personal allowance (hence the letter) or (from 1990/91) the single personal allowance plus the married couple's allowance.

In 2001/02, it denoted that the taxpayer was entitled to the married couple's allowance *and* paid tax at the basic rate only. In 2002/03, it indicated that the taxpayer was entitled to the whole of the children's tax credit.

Company cars

The P11D code for company cars with hybrid electric engines.

National insurance

Contribution letter used from 6 April 2016 for apprentices under the age of 25 for whom employer's national insurance is not payable.

Historically, the letter was once used for ocean-going mariners.

Vehicle excise duty

Rate band for vehicles with emissions between 166 and 175 gm/km.

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

The reason is a correction to an earlier submission.

Tax forms

Before PAYE was introduced in 1943, tax forms were designated H, with H1 as the main tax return and H13 as the assessment.

Other meanings

Old Roman numeral for 200.

Haas School of Business

Business school at University of Berkeley, USA, whose financial engineering courses are particularly well regarded.

habeas corpus

Latin: have the body.

A writ which requires a person who holds someone in custody to produce them.

habere facias possessionem

Latin: that you cause to have possession.

habere facias seisinam

Latin: that you cause to have seisin.

habere facias visum

Latin: that you cause to have the view.

habitat land	<p>Land that is set aside to protect the environment. A government scheme requires the land to be set aside for 20 years.</p> <p>From 1 September 1995 such land usually qualifies for 50% agricultural property relief. The relief is given in Statutory Instruments SI 1994 No 1291-1293 and SI 1995 No 134. Details were provided in an Inland Revenue press release of 27 January 1995.</p> <p>This does not include any farmhouse on habitat land unless it also relates to commercial farming on other land.</p> <p>Farmland that is farmed in an environmentally friendly way is not habitat land.</p> <p>Similarly land used for commercial purposes, such as growing reeds for thatching or breeding pheasants for shooting, exclude the land even though it otherwise meets the definition of habitat land.</p>
hack	<p>Person whose services are freely offered for hire. The term originally referred to a horse so offered.</p>
hacker	<p>The current popular meaning of the term is to describe those who break into computer systems or networks, destroy data, steal copyrighted software, and perform other destructive or illegal acts.</p>
hac lege	<p>Latin: with this law.</p>
haeres legitimus est quem nuptiae demonstrant	<p>Latin: the lawful heir is he whom wedlock shows to be.</p>
Hague, William	<p>English Conservative politician (1961-) who was leader of the Conservative party from 19 June 1997 to 13 September 2001. He was the first Conservative leader not to become prime minister.</p>
Hain, Peter	<p>Kenyan-born Labour politician (1950-) who was Secretary of State for Work and Pensions from 28 June 2007 to 24 January 2008. He has held other government and shadow offices.</p>
haircut	<p>(1) Any loss taken by an investor, particularly one to which the investor has agreed as a means of minimising further losses.</p> <p>(2) Initial margin in a repo transaction, namely the difference between its market value and the value ascribed to the collateral used in the transaction. The difference is usually expressed as a percentage.</p>
hair powder tax	<p>Excise duty charged from 1795 to 1850.</p>
Haiti	<p>State in Caribbean sea on an island shared with the Dominican Republic. Its currency is the gourde of 100 centimes. The UK has no double taxation treaty.</p>
halala	<p>One hundredth of a Saudi riyal, currency of Saudi Arabia.</p>
Haldance principle	<p>This "is the principle that decisions on individual research proposals are best taken following an evaluation of the quality and likely impact of the proposals (such as peer review process)" (Higher Education and Research Act 2017</p>

s103(3)).

haléru	One hundredth of a koruna, currency of Hungary.
half	One divided by two.
half a crown	Alternative term for a half-crown .
half-board	Charge by a hotel that includes overnight accommodation, breakfast and one main meal.
half-brother/ sister	<p>Man or woman with whom a person only one parent in common. The legal term is "brother [or sister] of the half blood".</p> <p>Under the laws of intestacy, half-brothers and half-sisters inherit if there are no (full) brothers and sisters. They rank after spouse, children and parents, grandchildren and remoter issue, but before grandparents.</p>
half crown	<p>Old coin worth 2 shillings and 6 pence (12½p), or one eighth of a pound.</p> <p>It was introduced as a gold coin in 1526. It became a silver coin in 1551. It was demonetised on 31 December 1969, before decimalisation.</p>
half day	<p>Day when a shop closes at lunchtime to give staff a break.</p> <p>Shops Act 1904 gave local councils the power to require shops to close at lunchtime one day a week (often Wednesday) if two-thirds of shops agreed.</p> <p>Shops Act 1912 made half-day closing mandatory.</p> <p>The law was abolished in 1994.</p>
half dollar	American coin worth 50 cents.
half-holiday	Old term for a holiday of half a day.
half pay	<p>Remuneration at half the normal rate of pay.</p> <p>A contract of employment may have a clause that an employee who has been sick for a long time receives full pay for a period, and then half pay for a subsequent period.</p> <p>Half pay was also once paid to naval officer not on active service.</p>
halfpenny	<p>Coin worth half a penny.</p> <p>Before 1100, they were made by cutting silver pennies in half. Separate coins were minted from 1135, though they did not enter general use until 1272. A copper coin was minted from 1672. The last mintage for circulation was in 1967. The coin was demonetised on 1 August 1969. There were 480 halfpennies to the pound.</p> <p>In 1971, a decimal halfpenny was issued with a value equal to 2.4 times the old halfpenny. This was demonetised in 1984.</p>
half price	Offer to sell goods for half their normal price, often as a means of clearing old stock or as a sales promotion.

half rate	Term sometimes used for the inheritance tax rate payable on lifetime transfers at half the death rate, ie 20% rather than 40%.
half-sovereign	Gold bullion coin, still minted, that is legal tender for 50p.
half-test	Former social security requirement that a married woman only qualifies for a full state pension on the basis of her national insurance contributions if she had paid contributions for at least half the weeks between her marriage and reaching state retirement age. A married woman now earns entitlement on the same basis as other categories of individuals.
half-timer	Person engaged to work for half the usual hours.
halfway house	Compromise between two extreme positions. The term originally meant an inn about halfway between two towns.
half year	Either the first or last six months of a particular year. Listed companies must publish audited accounts every half year.
hallmark	<p><i>Tax avoidance</i></p> <p>In tax, one of a list of factors that may indicate the presence of a tax avoidance scheme.</p> <p>The full list of hallmarks is:</p> <ul style="list-style-type: none">• it sounds too good to be true• artificial or contrived arrangements are involved• it seems very complex for what you want to do• there are guaranteed returns for apparently no risk• there are secrecy or confidentiality agreements• upfront fees are payable or the arrangement is on a no win/no fee basis <ul style="list-style-type: none">• the scheme is said to be verified by a top lawyer or accountant but no details of their opinion are provided• the scheme is said to be approved by HMRC (it does not follow that this is true)• taxation of income is delayed or tax deductions accelerated• tax benefits are disproportionate to the commercial activity• offshore companies or trusts are involved for no sound commercial reason• a tax haven or banking secrecy country is involved without any sound commercial reason• tax exempt entities, such as pension funds, are involved inappropriately• it contains exit arrangements designed to sidestep tax consequences• it involves money going in a circle back to where it started• low risk loans to be paid off by future earnings are involved• the scheme promoter lends the funding needed.

Precious metals

Mark left by an assayer on objects made of a precious metal.

This traditionally has up to five parts:

- the standard mark,
- the assay office (this is the original meaning of "hall mark")
- date letter,
- duty mark (now rare)
- maker's mark.

The standard marks are a crown for gold, lion for silver in England, thistle for silver in Scotland, crowned harp for silver in Ireland.

hall of residence

Place in a university or similar establishment where students or others live. This is treated as residential property for most financial, tax and rating purposes.

For the purposes of claiming a capital allowance for plant and machinery in a hall of residence, *HMRC Brief 66/2008* explains that no such claim may be made for plant in residential parts of halls, but may be claimed for communal parts, such as stairs and corridors, and parts to which residents do not have access, such as the roof and attic.

Halloween Massacre

Nickname given to the decision of the Canadian government in 2006 to impose a 30% tax on income trusts, leading to large reductions in their values.

Hallstrom's

Australian tax case on whether expenditure was capital or revenue. The case related to opposing an extension of another company's patent. The full name of the case is *Hallstrom's Proprietary Ltd v The Federal Commissioner of Taxation 72CLR634*. The case is discussed in the *Inspectors' Manual* at BIM35045.

halo effect

Personnel term for the bad practice of an applicant who does not have the faults of a previous person, but without making an objective consideration of the application.

Hamada equation

In investment, a formula of fundamental analysis. It analyses a company's costs of capital as it uses financial leverage (or gearing), and how that relates to the overall risks within the company.

The equation is:

$$\text{Hamada} = B_1[1 + (1 - T)(D/E)]$$

where B_1 is the firms' beta with zero debt

T = tax rate

D/E = debt to equity ratio.

hamlet

Cluster of a few dwellings. It is the smallest unit of a residential area, being too small to be described as a village.

There are about 2,000 hamlets in England of which more than a third are in Cornwall.

hammered

Traditional method of indicating that a stockbroking firm cannot meet its debts. The announcement is preceded by a hammer blow on the table.

Hammond, Philip	English Conservative politician (1955-) who became Chancellor of the Exchequer on 13 July 2016.
Hampel Report	Report published in 1998 on corporate governance, following the Cadbury Report and Greenbury Report . Hampel proposed no significant change to corporate governance.
hamper	Basket with a lid, often containing food and drink. It is a traditional present. It is most unlikely that a hamper will ever qualify for tax relief as a business gift, as food is specifically exempted. If given to staff, it is likely to be of too great a value to qualify as a trivial benefit.
Hampton Implementation Review	Reviews carried out between 2006 and 2008 by Sir Philip Hampton and Professor Richard Macrory into business regulation. Its main recommendation is that inspection visits should be targeted according to the perceived need to do so. This is a move from the one size fits all approach to business regulation. This approach resulted in some businesses receiving unnecessary visits while other businesses did not receive necessary visits. The government accepted this recommendation.
hand	(1) Man who does odd jobs, particularly on a farm or estate. (2) Unit of measure of a horse's height.
handicapped	Term once used to describe people where the word disabled is now used. Finance Act 2017 Sch 7 changed "handicapped" to "disabled" for Value Added Tax Act 1994 Sch 8 Groups 4 and 12.
handle	In US investing, the term means the whole number of a price quote. So if the quote is \$63.25, the handle is \$63.
handling	Charge made for handling goods in relation to packing, invoicing and otherwise preparing them for delivery.
handling agent	For air passenger duty, a person who allocates seats to passengers and supervises their boarding of aircraft (Finance Act 1994 s37(3)).
handsel	An inaugural gift, such as a coin put in the pocket of a new coat. It can also be a present once given in Scotland on Handsel Monday, the first Monday of a New Year.
handset	Telephone or other instrument which is used by a person's hands while performing another task, such as speaking.
handshake	Computer-generated message confirming receipt of data. The presence of such a handshake in the HMRC on-line filing system was a significant factor in the case <i>Law Costing [2011] TC 1140</i> .

hang fire	Colloquialism which means to delay something, hopefully for a short time. The term is analogy to a gun which is slow in firing.
hanging card	Ace of spades. The presence of this card meant that a pack of cards was subject to excise duty. This was ornamentally embossed to prevent forgery (a tradition that survives the duty). The punishment for forging this card was hanging.
hang up one's axe	Old expression, meaning to retire from business.
Hansard	Written record of proceedings in Parliament. The leading tax case <i>Pepper v Hart</i> [1992] held that the courts may look to Hansard when interpreting an Act of Parliament.
Handard procedure	Procedure once used to obtain information from a taxpayer suspected of fraud. Its main provision was that voluntary disclosure avoided the risk of criminal prosecution. The last procedure was set out in Hansard by then Chancellor of the Exchequer John Major in 1990. This procedure was replaced by Code of Practice 9 in 2005. The Hansard procedure was originally introduced in 1923 and proved valuable in securing co-operation from taxpayers by providing an immunity from criminal prosecution if the taxpayer made a full disclosure and accepted civil penalties. The procedure was discredited by the notorious case <i>R v W</i> [1998] when a taxpayer was prosecuted by the Crown Prosecution Service having accepted assurances from Inland Revenue. This was followed by <i>Gill and Gill</i> [2003] where Inland Revenue used the Hansard procedure but did not follow the requirements of the Police and Criminal Evidence Act 1984.
Hang Seng	Index of the Hong Kong stock market. It is capitalisation-weighted index of Hong Kong's 40 largest companies.
hansom	Light two-wheeled cab invented in 1834 and used until the early 20 th century.
hao	One tenth of a dong, currency of Vietnam.
ha'porth	Old contraction of halfpenny-worth, used both literally and metaphorically.
happiness economics	Academic study of the relationship between economic issues and individual satisfaction. The OECD conducted a major study in this area.
haraam	Forbidden under Islamic finance , particularly the payment of interest.
haram	Alternative spelling of haraam .
Harami cross	In investing, the charting pattern of a candlestick followed by a doji . This is taken as indicating that the previous trend in prices is about to reverse.

harassment	<p>Offence of pestering or annoying someone.</p> <p>It can be a criminal offence if someone engages in two or more acts for the purpose of annoying someone. The law was passed to outlaw stalking.</p> <p>For sexual harassment, one act is sufficient.</p>
Harberger's triangle	<p>Representation of deadweight loss that can arise from the imposition of tax on goods and services.</p> <p>The idea was devised by American economist Arnold C Harberger (1924-). The representation is a roughly triangular shape on a supply and demand graph where the curves are cut short so that consumer surplus and producer surplus are also cut short.</p>
harbour	<p>For capital allowances, this is specifically excluded from the scope of plant and machinery (Capital Allowances Act 2001 s22(1) List B).</p>
harbour authorities	<p>Provisions relating to chargeable gains are given in Taxation of Capital Gains Act 1992 s221.</p>
Harcourt, William	<p>English Liberal politician (1827-1904) who was Chancellor of the Exchequer from 18 August 1892 to 21 June 1895, and from 6 February 1886 to 20 July 1886.</p>
hard cash	<p>Colloquialism for money in bank notes or coins, rather than cheques or promises.</p>
hard copy	<p>"A document or information is sent or supplied in hard copy form if it is sent or supplied in a paper copy or similar form capable of being read. References to hard copy have a corresponding meaning." (Companies Act 2006 s1168(2)).</p> <p>While documents may be stored electronically, it is generally a requirement that a hard copy can be produced. For company law, this is specifically required by Companies Act 2006 s1145.</p>
hard currency	<p>Stable currency which is widely recognised, such as pound, euro or US dollar. Where a local currency is weak, traders often revert to a hard currency.</p>
hard disk	<p>The main storage disk in a computer. It is sealed within the body of the central processing unit.</p>
hard disk player	<p>Piece of recording equipment, where the recording is to a hard disk as in a computer.</p>
Hardie, Keir	<p>Scottish-born Labour politician (1856-1915) who was the first elected Labour MP (in 1892) and was the first leader of the Labour party, from 17 February 1906 to 22 January 1908.</p>
hard labour	<p>Punishment that could be imposed on a prisoner requiring additional work. It was abolished in 1948.</p>

hard landing	Change in economic policy which has serious consequences for some people, such as when anti-inflationary policies lead to high unemployment. The switch to monetarism in 1979 was such an example. Austerity measures introduced from 2010 are another.
hard market	Market which is strong and considered unlikely to fall.
hardening	Description of a market where volatility is reducing and values slowly increasing.
hardship application	<p>For tax hearings, an application to a tribunal that a person would suffer undue hardship in meeting the requirement to pay a disputed sum as a condition of starting proceedings on the substantive issue.</p> <p>For example, an appeal against disputed VAT usually requires the sum to be paid first, to prevent appeals being used merely to postpone payment. If the taxpayer cannot afford to pay the sum, a hardship application may be brought first to dispense with the requirement to make payment.</p> <p>The rules for this are set out in The Tribunal Procedure (First-tier Tribunal) (Tax Chamber) Rules SI 2009 No 273 rule 22.</p> <p>A VAT tribunal ruled that "a company may need to borrow in order to pay VAT in dispute if the business had existing unused borrowing facilities" but that a business should not "be expected to pursue other sources of finance purely for the purpose of paying the tax in dispute" (<i>Buyco Ltd; Sellco Ltd [2006] VTD 19752</i>).</p>
hardship payment	<p>For universal credit, a payment that may be made to a claimant whose benefit has been reduced because of non-compliance with a requirement, and where the reduction in benefit causes hardship.</p> <p>Such a payment may be made under Welfare Reform Act 2012 s28.</p> <p>Similar provisions apply for jobseeker's allowance under Jobseekers Act 1995 s19C as inserted by Welfare Reform Act 2012 s46.</p>
hardship payment order	Court order allowing a payment from an account which has been frozen by the court.
hard standing	For capital allowances, this is specifically excluded from the scope of plant and machinery (Capital Allowances Act 2001 s22(1) List B).
hard-to-borrow list	List of securities that are not available for borrowing for short sale transactions and therefore cannot be shorted.
hardware	Tangible computer equipment, as against the software which comprises the programs, operating systems, data and suchlike.
Hare	Hare's Reports, law reports from 1841 to 1853.
Harman, Harriet	English Labour politician (1950-) who was deputy leader of the Labour party from 24 June 2007 to 12 September 2015. She was acting leader between 11 May 2010 and 25 September 2010, and from 8 May 2015 to 12 September 2015.

She was Secretary of State for Social Security from 3 May 1997 to 27 July 1998.

Harmonised System Explanatory Notes (HSEN)

Guidance produced by HMRC on the interpretation of the **Harmonised System** classifications. These explain the detailed application of each code.

harmonisation

Process of bringing two or more things together, such as harmonising tax regulations by making them similar.

Harmonised System (HS)

An international system of classifying and describing goods for tax and economic purposes.

HS is managed by the **World Customs Organisation (WCO)**. In the European Union (EU), it is embodied in the **Customs Tariff**.

Harmonised System Committee (HSC)

The committee of the **World Customs Organisation (WCO)** responsible for managing the **Harmonised System (HS)**.

Harold I

King of England from 1035 to 1040. Known as "Harefoot".

Harold II

King of England for 10 months in 1066 until defeated by **William I**.

harp

Colloquialism for a deal subject to many conditions, in allusions to "many strings attached".

harriott

Feudal practice of the lord of the manor seizing the best asset of a tenant who died, even if it meant that the family had no means of supporting itself at a time when they are already impoverished and distressed. The practice lasted until the 19th century but is now illegal.

[This term was found in a legal text book of 1916 but does not appear in the main English dictionaries.]

harsh

Description of a penalty that is disproportionate to the tax or other offence (if any) committed.

A penalty cannot be set aside on the grounds of harshness alone, but can be set aside if **plainly unfair**.

Harthacnut

King of England from 1040 to 1042. The name is also given as Harthacanute.

Hartnett, Dave

English civil servant (1951-) who was permanent secretary of HMRC from 2007 to 2012.

Harvard

Senior university in USA, established in Massachusetts in 1636.

hash

For the purposes of **blockchain**, "a sort of digital signature or summary of a block that is used to authenticate it and its place in the chain" (ICAEW guidance 2017).

The word has other meanings.

hash key	The key with the symbol #. It is used (particularly in USA) to mean “number”.
hash total	<p>A total of an irrelevant field taken from documents as a means of checking that all documents have been dealt with.</p> <p>Early computer systems used hash totals to check that, for example, all invoices had been entered on the system. The batch would come with a hash total of, perhaps, adding up all the invoice numbers. The data entry clerk would then add up these numbers when entering the invoices to check that they had all been entered.</p>
Hastings-Bass	<p>Tax case relating to when mistakes by trustees can be reversed. The full citation is <i>re Hastings Bass deceased [1974] STC 211</i>. The case was brought by Inland Revenue who argued that an advancement of capital was ineffective.</p> <p>Hastings-Bass was first used by a taxpayer in <i>Mettoy Pension Trustees Ltd v Evans [1990]</i> to provide relief when trustees fail to take into account all consequences of their decisions.</p> <p>The first non-pension case was <i>Green v Cobham [2002]</i>. This started a series of cases where trustees' decisions were declared void when they led to unexpected tax consequences.</p> <p>The rule has been restrained by the Court of Appeal decisions in <i>Futter v Futter</i> and <i>Pitt v Holt</i>.</p>
hateful tax	Term used by Dr Johnson in 17 th century for excise duty.
hate speech	Speech, particularly written material, that promotes hatred of other people, such as because of their race or religion. This is generally not tolerated in the UK, even to the extent of no longer tolerating what was accepted in previous decades. The USA tends to accept hate speech because of its constitutional commitment to free speech. The issue is where to draw the line.
hat tax	Tax charged between 1784 and 1811 in the form of an annual licence payable by hat-sellers.
Hattersley, Roy	English Labour politician (1932-) who was Shadow Chancellor from 31 October 1983 to 18 July 1987.
haulage contractor	Company whose business is transporting goods.
Hausmannization	Demolition of entire districts and rebuilding. The term comes from Baron Haussman (1809-91) who remodelled Paris between 1835 and 1870.
Havana	Fine cigar made in Havana, capital of Cuba.
hawala	<p>Method of providing funds overseas outside the traditional banking system and without the movement of funds. A hawala dealer, or hawaladar, co-operates with the hawala dealer in another country to provide funds on the basis of trust. This is then offset when funds are transferred with the countries reversed.</p> <p>The hawala system is based on trust, and so is often arranged within families. Although sometime referred to as “underground banking”, there is</p>

nothing illegal or secretive in how it operates.

Hawala originated in South Asia in ancient times and is still widely used in Asian countries.

hawaladar

A **hawala** dealer.

HAWB

House Air Waybill.

hawking stamps

This was a specific tax penalty under Stamp Duties Management Act 1891 s6. The offence was abolished by Finance Act 1999 s115 and Sch 18 para 6(1).

hawl i ryddfreniad

Welsh: right to enfranchisement.

Hayastani Hanrapetut'yan

Armenian: Republic of Armenia.

haybote

The right of a tenant to take wood for repairing hedges and fences.

hazard

General use

Risk or danger.

For merchant shipping, the term has a specific meaning in **Wrecks Convention** article 5.

Game

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

hazardous waste

For landfill tax, "means any hazardous waste within the meaning of European Parliament and Council Directive 2008/98/EC" (SI 2015 No 1385 para 2).

hazing

Colloquialism for various initiation rituals on joining an organisation. Many such rituals are illegal under current British law as assault or harassment.

HB

Housing benefit.

HBLB

Horserace Betting Levy Board.

HBOS

Company formed in 2001 by the merger of the **Halifax**, a building society that had become a bank, and **Bank of Scotland**.

It was taken over by Lloyds TSB which was renamed Lloyds Group.

HC

(1) **High Court.**

(2) House of Commons.

HCO

Hydrocarbon Oils

HCOBIG

HMRC's tax manual and biofuels and fuel substitutes assurance.

HCOGAS

Prefix for HMRC's tax manual on gas for road fuel use.

HCOS	Prefix for HMRC's tax manual on hydrocarbon oils strategy.
HCOTEG	Prefix for HMRC's oils technical manual.
HE	Higher education.
head and shoulders top	In investing, a chart of share or security prices which shows a peak that falls away, a bigger peak that falls away, and another small peak that falls away. The two small peaks are the shoulders. Chartists regard a further fall below the neckline as indication to sell.
headband	For VAT, this is not regarded as clothing and therefore cannot be zero-rated when supplied to children. It does not come within the definition of a hat as it provides no covering or protection to the head (<i>Mrs V Cassidy (t/a Balou [1990] VTD 5760</i>).
head-hunter	Agent who finds suitable people for job vacancies.
headings	For Customs duty purposes, the first 4 digits of the commodity code .
headlease	Lease from a freeholder to a lessee who may then grant sub-leases.
headline rates	Rates of tax that are apparently charged, but where the effective rate is different. An example is in relation to pre-2016 taxation of dividends where the headline rate for a higher rate taxpayer is 32.5% but the effective rate is 25%.
head office	Main office of a business which operates from more than one premises.
headquarters	Office from which an organisation is directed.
headroom check	Limit on the amount that may be paid into a savings scheme. The term was widely used in relation to additional contributions that could be made tax-free as additional voluntary contributions into an occupational pension scheme.
heads of agreement	Draft agreement where at least the parties have decided what topics should be covered in the agreement, even if some of the details have yet to be agreed.
HEAG	Hidden Economy Advisory Group.
Healey, Denis	Labour politician (1917-2015) who was Chancellor of the Exchequer from 5 March 1974 to 4 May 1979 under the governments of Harold Wilson and Jim Callaghan. He raised taxes to redistribute wealth, including income tax basic rate at its record high of 35%. He negotiated a loan from the IMF in 1976 which led to austerity measures. Healey was Shadow Chancellor from 19 April 1972 to 4 March 1974, and from 4 May 1979 to 8 December 1980.

health and employment insurance

Premiums paid by an employer may be exempt from tax under Income Tax (Earnings And Pensions) Act 2003 s325A and s644A.

health and misfortune insurance

From 6 April 1996, payments from such policies are generally tax-free provided:

- they do no more than compensate the policy holder for lost income;
- the benefits have not been taken into account in computing trading profits;
- the premiums have not attracted tax relief; and
- the payments only continue during a period of misfortune (such as while sick or unemployed).

health authority association

For tax purposes, a definition is given in Income Tax Act 2007 s1000.

The same definition is used in respect of tax relief for capital gains under Taxation of Capital Gains Act 1992 s271.

health benefits

Social security assistance with health charges that are otherwise chargeable. These include prescriptions, eye tests, dental work and fares to hospital. Such benefits are usually provided on a passported basis to claimants of other benefits.

health care

In relation to criminal offences committed by care workers, there is a definition in Criminal Justice and Courts Act 2015 s20(5).

health care fraud

Fraud committed against a body that provides health care. The fraud relies on such bodies being busy and with staff not able to check invoices properly.

health care professional

In the context of a **work-focused health-related assessment for universal credit**, means a registered medical practitioner, a registered nurse, an occupational therapist or physiotherapist, or member of certain other health professions (Welfare Reform Act 2012 s16(5)).

health certificate

Certificate that may be required for certain imported foods and food products. Customs clearance cannot be obtained without the certificate.

Health Education England (HEE)


Body corporate established under Care Act 2014 s96.

health in pregnancy grant

A grant payable from 6 April 2009 to a woman who is at least 25 weeks pregnant and who has received advice relating to the pregnancy from a suitable health professional. The law is Social Security Contributions and Benefits Act 1992 s140A.

These grants cease to be available for women whose 25th week of pregnancy is after 31 December 2010, under provisions of Savings Accounts and Health in Pregnancy Grant Act 2010 s3.

health insurance	Insurance against financial losses resulting from sickness or accidental bodily injury. Included under this definition are accident insurance, disability insurance and accidental death and dismemberment insurance. Private Medical Insurance (to provide for the cost of private - ie not within the National Health Service - medical treatment also comes under this general heading).
health professional	In relation to data processing, this term is defined in Data Protection Act 2018 s204(1).
Health Protection Agency	Body established under Health Protection Agency Act 2004 and abolished by Health and Social Care Act 2012 s56.
health provision	"Means provision of health services as part of the health service" (Care Act 2014 s3(3)).
health-related provision	"Means provisions of services which may have an effect on the the health of individuals but which are not — (a) health services provided as part of the health service, or (b) services provided in the exercise of social services functions (as defined by section 1A of the Local Authority Social Services Act 1970)" (Care Act 2014 s3(4)).
health-related services	"Means services that may have an effect on the health of individuals but are not health services or social care services" (National Health Services Act 2006 s14Z1(3) as inserted by Health and Social Care Act 2012 s26).
Health Research Authority (HRA)	Body incorporated established by Care Act 2014 s109.
health-screening	"Means an assessment to identify employees who might be at particular risk of ill-health" (Income Tax (Earnings And Pensions) Act 2003 s320B(3)). Such screening may be exempt from tax.
health service body	Such a body is exempt from capital gains tax on certain disposals as set out in Taxation of Capital Gains Act 1992 s271. The definition of such a body is given in Corporation Tax Act 2010 s986.
health special administration order	An order that a health service provider is to be run by one or more persons appointed by a court (Health and Social Care Act 2012 s128(1)).
health special administrator	Person who runs a health service provider under a health special administration order (Health and Social Care Act 2012 s128(3)).
health visitor	Before 6 April 2006 (when the normal pension retirement age was 60), a female health visitor was allowed to retire on a full pension at the age of 55. Male health visitors could not retire early on a full pension.

Healthwatch England	Body established under Health and Social Care Act 2012 s181.
healthy recreation	“Sports that are capable of providing healthy recreation are those sports which, if practised with reasonable frequency, will tend to make the participant healthier, that is, fitter and less susceptible to disease” (Charity Commission guidance note RR11).
Healthy Start	Scheme to provide food and vitamins to new mothers on low incomes.
hearing	For tax appeals, means “an oral hearing and includes a hearing conducted in whole or in part by video link, telephone or other means of instantaneous two-way electronic communication” (The Tribunal Procedure (First-tier Tribunal) (Tax Chamber) Rules SI 2009 No 273 rule 1(3)).
hearsay evidence	Evidence of what someone else has said; indirect evidence. The general rule is that such evidence is not admissible, though there are exceptions.
hearth money	Another name for chimney money , a tax from 1663 to 1689.
hearth tax	Tax imposed by Charles II between 1662 and 1688 to fund the restored monarchy.
hearts	One of the four suits in a pack of ordinary playing cards. The symbol, printed in red, is: 
heat	For VAT, a supply of heat is treated as a supply of goods (Value Added Tax Act 1994 Sch 4 para 3). As such, supplies for residential use are generally reduced-rated under <i>ibid</i> Sch 7A Group 1, but standard-rated for other supplies. Details are given in VAT notice 701/19.
Heath, Edward	English Conservative politician (1916-2005) who was Shadow Chancellor from 27 July 1965 to 11 November 1965, when he became Leader of the Opposition. He was prime minister from 19 June 1970 to 4 March 1974.
Heathcoat-Amory, Derick	English Conservative politician (1899-1981) who was Chancellor of the Exchequer from 6 January 1958 to 27 July 1960 in the government of Harold Macmillan.
Heather v PE Consulting Group Ltd	A leading case on case law schemes for employees, ref 48 TC 293. It is discussed in the Inspector's Manual at BIM44155.
Heathrow Airport	England's main airport, and the second busiest passenger airport in the world. It lies 14 miles west of Central London on a site of 12.27 square kilometres (4.74 square miles). It has two runways. In 2018, the government agreed to a

third runway. The airport opened in 1929 as a small airfield. It now has four terminals numbered 2 to 5, as Terminal 1 was closed in 2015.

Heathrow Express

Passenger rail link between **Heathrow Airport** and Paddington station.

heating

For capital allowance purposes, heating is treated as an **integral feature**, which means that it is included in the **special rate pool** and is subject to capital allowance at 8% on the writing down basis, and not the usual 18% for plant and machinery.

heating appliances

Grant funded installation of such appliances may qualify for reduced rate VAT under Value Added Tax 1994 Sch 7A Group 3. Para 4 gives a definition.

heating oil

When supplied for domestic or charitable use, this may qualify for the reduced rate of VAT (Value Added Tax 1994 Sch 7A Group 1).

Heaton v Bell

Tax case from 1969 that established the taxable value of a benefit in kind provided to an employee.

In that case, the employee was provided with a car which he could surrender and receive increased pay. It was held that the increase he could receive was the taxable value of the car.

This has now been superseded by what is now Income Tax (Earnings And Pensions) Act 2003 ss120-148, but the case can still be relevant for valuing other benefits in kind.

Heavily Indebted Poor Countries Programme (HICP programme)

Programme launched in 1998 to deal with the problems of countries with unrepayable debt. The programme works by requiring these countries to introduce proper economies, which usually requires privatisation of state industries and control on public spending.

heavy crude oil

Naturally occurring oil before processing which contains a low concentration (down to 50%) of the more valuable hydrocarbons.

heavy goods vehicle (HGV)

Vehicle which weighs more than 7.5 tonnes. The proper name is now **large goods vehicle (LGV)**, though the old name and abbreviation remain in popular use.

For the purposes of employees' taxable benefits, an HGV "means a mechanically propelled road vehicle which —

(a) is of a construction primarily suited for the conveyance of goods or burden of any kind, and

(b) is designed or adapted to have a maximum weight exceeding 3,500 kilograms when in normal use and travelling on a road laden" (Income Tax (Earnings And Pensions) Act 2003 s238(4)).

An employee is not taxed on the "modest" use of such a vehicle.

heavy industry

Industry which deals with large quantities of materials (such as coal mining) or makes heavy items.

heavy market Market in which there are more sellers than buyers, leading to falling prices.

heavy oil Hydrocarbon oil which is not **light oil**. Examples include diesel, kerosene and aviation fuel.

They are subject to hydrocarbon oil duty, except that fuel oil and gas oil (which are not intended for vehicles) are heavily rebated. From 1 August 2002, such dutiable oils must be marked with a yellow dye.

In the statute, the term "means hydrocarbon oil other than **light oil**" (Hydrocarbon Oil Duties Act 1979 s1(4)).

heavy oil vehicle "Means a vehicle to which section 10 of the [Hydrocarbon Oil (Customs & Excise)] Act [1971] applies" (Hydrocarbon Oil Regulations SI 1973 No 1311 reg 2).

hectare Unit of land measurement equal to 10,000 square metres. One hectare is about 2.471 acres.

The capital gains tax exemption for **principal private residence** allows a garden of up to half a hectare, or larger if consistent with the size of the property.

hecto- Prefix used in metric units. It means 10^2 or one hundred.

Hector Cartoon character of a tax inspector used by Inland Revenue between 1996 and 2001 in various campaigns designed to promote tax compliance, particularly on the introduction of self-assessment.



He was not originally named, but soon acquired the name as a pun on "hector" that means to bully or chivvy, even though Hector was always depicted as affable and helpful. He was replaced because he was "too white, too male and too middle-aged" according to an HMRC spokesman (or spokesperson). HMRC has more female than male staff and very few now wear bowler hats. Hector was replaced by **Mrs Doyle**.

Heddlu Welsh: police.

hedge	<p>(1) In finance, an arrangement whereby a person makes a financial arrangement to counter any adverse effect from an existing arrangement. It is similar to insurance in seeking to negate an extant risk. An example is where an investor in shares buys a call option on the stock market collapsing. If it does collapse, the payment from the option will compensate for some of the loss.</p> <p>(2) In land, two or more trees planted to form a boundary.</p>
hedge fund	<p>Fund typically run by partnerships which specialise in high-risk high-profit investments. The name comes from the fact that such funds typically seek to hedge the risks in their investments.</p> <p>The term is sometimes used for funds that take high risks which they do not hedge. Such investments typically include short selling and derivatives.</p> <p>Hedge funds are only available for a limited range of investors. This exempts them from many controls that would otherwise apply.</p> <p>The net asset value of a hedge fund can be billions of pounds (or dollars). Because such funds are often highly geared, their gross assets can be much higher. Hedge funds are believed to have been controlling \$2.5 trillion at their peak in summer 2008.</p> <p>The first hedge fund is believed to have been formed in 1949.</p>
hedge pricing	Another name for anticipatory pricing .
hedge ratio	Number of futures or options contracts needed to counteract the exposure in the underlying instruments, such as shares or commodities.
hedging	A strategy used to offset investment risk as a hedge . It usually makes use of futures or options.
hedging arrangements	The tax provisions are in Income and Corporation Taxes Act 1988 s209B.
hedging gain or loss	"The change in fair value of a hedged item that is attributable to the hedged risk" (FRS 102 glossary).
hedging instrument	In relation to corporation tax on loan relationships and the restrictions on debts resulting from revaluation, this term is given a specific meaning in Corporation Tax Act 2009 s324(3A) as inserted by Finance (No 2) Act 2015 Sch 7.
hedging relationship	<p>In relation to open-ended investment companies, the term is defined in Corporation Tax Act 2009 s496. For derivative contracts, the term is defined in Corporation Tax Act 2009 s707.</p> <p>For corporation tax and loan relationships, the term is given a specific meaning in Corporation Tax Act 2009 s475A as inserted by Finance (No 2) Act 2015 Sch 7.</p>
Hedley Byrne v Heller	<p>Name of court case of 1963 which established that a person could be liable to a third party for negligence. In the case, that liability was avoided by a suitable disclaimer.</p> <p>This case has been seen as establishing the principle that a negligent</p>

auditor could be liable to a third party investor. The House of Lords gave details guidance on this matter in this case.

hedonism In ethics, doctrine that pleasure is the highest good.

HEE **Health Education England.**

HEFCE **Higher Education Funding Council for England.** This body is now abolished.

HEI Higher education institution.

Heid Männystèr an Heid Männystèr depute

Ulster Scots: **First Minister and deputy First Minister, of Northern Ireland Executive.**

heir Person who is due to inherit

heir apparent Person who will succeed to another's property or title, provided only that he lives beyond the other's death. The status as heir cannot be displaced by any event, unlike an **heir presumptive**.

heir-at-law Person who succeeds to the property or title of another on their death. This was regulated by custom until Inheritance Act 1833. All historic forms of inheritance are generally abolished by Administration of Estates Act 1925 s45.

heirress Female **heir**.

heirloom Asset which is regarded as belonging to succeeding generations of a family rather than to its current owner. A family must make provisions to secure heirlooms in an insolvency.

heir presumptive Person who will succeed to another's property or title, provided that he or she both outlives the other, and that no-one with a better claim is born before the other dies.

heist Theft, particularly in a particularly clever manner and of a large scale.

held amount Amount in a taxpayer's bank account which HMRC may seize without needing the permission of a court to settle a tax debt. The definition and method of determination is set out in Finance (No 2) Act 2015 Sch 8 para 7.
Broadly, the amount is the lesser of the tax owed, and the balance in the account minus the **safeguarded amount** (usually £5,000).

held as part of an investment portfolio

"An interest is held as part of an investment portfolio if its value to the investor is through fair value as part of a directly or indirectly held basket of investments rather than as media through which the investor carries out business. A basket of investments is indirectly held if an investment fund holds a single investment in an investment fund which, in turn, holds a basket of investments." (FRS 102 glossary).

Term used and defined in FRS 102 section 9.9B in relation to subsidiary. Such a subsidiary need not be included in consolidated accounts but should be shown in the financial statements at fair value.

held continuously

In relation to community interest tax relief, this expression is defined in Corporation Tax Act 2010 s267.

held exclusively with a view to subsequent resale

"An interest:

(a) for which a purchaser has been identified or is being sought, and which is reasonably expected to be disposed of within approximately one year of its date of acquisition; or

(b) that was acquired as a result of an enforcement of a security, unless the interest has become part of the continuing activities of the group or the holder acts as if he intends the interest to become so; or

(c) which is held as part of an investment portfolio" ((FRS 102 glossary).

Term used and defined in FRS 102 section 9.9(b) in relation to a temporarily owned subsidiary. Such a subsidiary need not be included in **consolidated accounts**.

held out for sale

How a product is offered to customers.

This can be a factor in determining whether the product is zero-rated. For example gelatine held out for sale as a food product is zero-rated, but when held out for sale for photography is standard-rated.

helpbook

Term used by HMRC for guidance sent to employers about the PAYE system.

helpsheet

Document produced free by HMRC to assist taxpayers in calculating a figure or determining a liability. Their use is optional.

help-to-save

Government scheme to encourage low income households to save. It is introduced from 6 April 2018 under provisions of Savings (Government Contributions) Act 2017.

The main elements are:

- the scheme is open to claimants receiving universal credit or tax credits, and where the household income is equal to at least 16 hours a week at the national living wage (£120 a week at 2017/18 rates)
- the claimant may save up to £50 a month
- any unused monthly limit cannot be carried forward to a later month
- the scheme runs for two years. It may be extended for a further two years
- the government adds 50% to the amount saved at the end of each two-year period. This is an addition of £600 if the maximum £1,200 has been saved.

hemline theory

Fanciful economic theory that shorter skirts indicate a more prosperous economy, as evidenced in the 1920s, 1960s and 1980s. It has been suggested

that the fashion follows a feel-good factor.

Henderson, Arthur

Scottish-born Labour politician (1863-1935) who succeeded Keir Hardie to become the second leader of the Labour party, for three periods between 1908 to 1932.

henry

Unit of electrical inductance.

Henry I

King of England from 1100 to 1135. Known as Beauclerk.

Henry II

King of England from 1154 to 1189. Known as Curtmantle.

Henry III

King of England from 1216 to 1272.

Henry IV

King of England from 1399 to 1413.

Henry V

King of England from 1413 to 1422.

Henry VI

King of England from 1422 to 1471.

Henry VII

King of England from 1485 to 1509.

Henry VII taxes

Taxes demanded by Henry VIII for the period from around 1500 to the end of his reign in 1509.

Henry VIII

King of England from 1509 to 1547.

Henry VIII powers

Powers given by an Act of Parliament to a minister allowing for changes in the law without requiring further Parliamentary approval.

The EU (Withdrawal) Act 2018 gives ministers such powers to make minor variations to EU law when incorporating it into UK law.

hepatitis C

Disease of the blood.

In January 2011, payments to people who contracted the disease from contaminated blood were entitled to a compensation payment. From 18 May 2011, such payments are exempt from income tax under SI 2011 No 1157.

herbal products

For VAT, there have been several cases to determine whether such a product qualifies for zero-rating as food.

The case *Ayurveda Ltd [1988] VTD 3860* held that a herbal fruit concentrate was zero-rated but tablets were not.

herbal tea

This is zero-rated for VAT.

Under Value Added Tax 1994 Sch 8 Group 1, food is generally zero-rated. Excepted Item 3 standard-rates beverages. Items Overriding The Exception 4 reverses the exception, thus reinstating the zero-rating.

Further guidance is given in VAT Notice 701/14.

The scope of the zero-rating was examined in the case *Dr X Hua [1995] VRD 13811*.

herd	In relation to herd basis , “includes a flock and any other collection of animals (however named)” (Corporation Tax Act 2009 s110(1)(b) and Income Tax (Trading and Other Income) Act 2005 s112(1)(b)).
herd basis	<p>Election that may be made by a farmer for tax purposes.</p> <p>The normal tax treatment for farm animals is to treat them as trading stock. Under the herd basis, the value of the animals is ignored in calculating trading profit. The cost of acquiring animals is not allowed, and the sale of animals are not taxable.</p> <p>The law for corporation tax is Corporation Tax Act 2009 from s109, and for income tax is Income Tax (Trading and Other Income) Act 2005 s111.</p>
herd basis benefit	A benefit arising from using the herd basis . The exact definition for income tax is set out in Income Tax (Trading and Other Income) Act 2005 s127(5).
herd basis cost	<p>Method of valuing animals on the basis of their average value under the herd basis.</p> <p>HMRC stopped promoting this concept from February 2003. The value of animals should reflect their actual cost.</p> <p>The relationship of this basis to an overdrawn loan account is discussed in the Inspector's Manual at BIM45720.</p>
herding	In investment, strategy of persuading other investors to follow your policy.
herd mentality	Tendency of people to adjust their behaviour to conform to the group they are with.
hereditament	<p>Property including land and buildings.</p> <p>The term means “a property which is or may become liable to a rate, being a unit of such property which is, or would fall to be, shown as a separate rate item in the valuation list” (General Rates Act 1967 s115(1)). This definition is relevant in determining what is a chargeable dwelling for council tax, and what is chargeable to business rates.</p>
hereditary excise	Old system where excise duties were given to the monarch. This was replaced in 1787 by the Civil List .
Heregeld	The equivalent of Danegeld levied between 1016 and 1051.
heritable property	In Scots law, land and buildings, as against chattels or moveable property.
heritable security	In Scots law, the equivalent of a mortgage.
heritage asset	Fixed asset which cannot be disposed of without special permission and which is excluded from the accounts.
heritage assets	“Tangible and intangible asstes with historic, artistic, scientific, technological, geophysical or environmental qualities that are held principally for their contribution to knowledge and culture” (FRS 102 glossary).

heritage body	A body or charity that maintains historic buildings. A definition for income tax is given in Income Tax Act 2007 s507(2).
heritage direction	Direction given under Inheritance Tax Act 1984 Sch 4 para 1.
heritage maintenance property	“Any property in respect of which a heritage direction is in effect” (Income Tax Act 2007 s507(2)).
heritage maintenance settlement	“Settlement which comprises heritage property” (Income Tax Act 2007 s507(2)).
Her Majesty's Revenue and Customs (HMRC)	The term that collectively refers to the Commissioners and officers of Revenue and Customs (Commissioners for Revenue and Customs Act 2005 s4).
hermaphrodite	Being of both sexes. In humans, this is usually seen as an abnormality of one sex.
hermeneutic	Based on interpretation.
heroism	“The court must have regard to whether the alleged negligence or breach of statutory duty occurred when the person was acting heroically by intervening in an emergency to assist an individual in danger” (Social Action, Responsibility and Heroism Act 2015 s4).
hertz	Unit of frequency.
heuristic	Description of a problem-solving method that uses creative thinking rather than logic.
hexa-	Prefix that means six.
HFEA	Human Fertilisation and Embryology Authority.
HGCA	One of five levy organisations in the Agriculture and Horticulture Board . HGCA charges a levy on cereals and oilseeds.
HGV	Heavy goods vehicle.
Hibernian	Relating to Ireland.
hic	Latin: this, here.
HICBC	High income child benefit charge.
hic et ubique	Latin: here and everywhere

Hicks-Beach, Michael	English Conservative politician (1837-1916) who was Chancellor of the Exchequer from 24 June 1885 to 28 January 1886, and from 29 June 1895 to 11 August 1902.
HICP	Harmonised index of consumer prices; the full name for CPI, a measure of inflation now used in all European Union countries.
hidden agenda	Management style where the real purpose of a proposal is hidden from the meeting but is attempted by proposing ideas which sound reasonable. The real purpose is often personal advancement.
hidden asset	Asset which is valued at much less in the company's accounts than its real value. Common examples include land and property, and research and development.
hidden economy	Legal activities which are illegally concealed from the tax authorities.
Hidden Economy Advisory Group (HEAG)	Body formed in 2010 by HMRC to look at methods of countering the hidden economy .
hidden values	American term for assets that are undervalued on a company balance sheet.
hide of land	Area of between 60 and 120 acres that was considered sufficient to support a family in feudal times.
hierarchy of members	Concept that not all partners have equal rights and duties. Consideration of the hierarchy can be relevant in determining whether a member of a limited liability partnership should be taxed under PAYE. The matter is explained in an HMRC Technical Note of 10 December 2013.
HIERC	Higher income excess relief charge.
higgle	Make difficulty in bargaining.
high conviction stock picking	Fund management strategy that allows the fund manager freedom to use his discretion in selecting securities rather than follow a policy.
High Court	"means— (a) in relation to England and Wales, Her Majesty's High Court of Justice in England; (b) in relation to Northern Ireland, Her Majesty's High Court of Justice in Northern Ireland" (Interpretation Act 1978 Sch 1).
high current income fund	Fund that aims to provide a high level of income by itself investing in companies that pay large dividends.
Higher Education Funding Council for England (HEFCE)	This body is abolished by Higher Education and Research Act 2017 s81.

higher family element	Element of child tax credit payable in respect of a child up to one year old. It is abolished from 6 April 2011.
higher income excess relief charge (HIERC)	Complex tax provisions set out in Finance Act 2010 s23 and Sch 2 to restrict tax relief on pensions for taxpayers with annual earnings over £130,000. The charge was repealed before its introduction.
higher-level sanctions	<p>The more serious reduction of benefit where a claimant for universal credit has not complied with a requirement.</p> <p>The provisions are set out in Welfare Reform Act 2012 s26.</p> <p>Similar sanctions can be applied against jobseeker's allowance under Jobseekers Act 1995 s19.</p>
higher personal allowance	<p>Allowance against income tax which could be claimed by a man who was married on the first day of the tax year. A single woman looking after a child could claim the lower personal allowance and additional personal allowance which equalled the higher personal allowance. Those who were entitled to these allowances had a tax code ending with the letter H.</p> <p>The allowance was abolished from 6 April 1990 and replaced by a personal allowance plus the married couple's allowance (MCA). MCA was itself phased out between 1994 and 2000.</p>
higher rate	<p>For income tax, this is a rate which applies to income above the upper threshold for the basic rate.</p> <p>From 6 April 1988 to 5 April 2010, there has been just one higher rate of 40%. The 50% rate introduced in 2010 (and reduced to 45% in 2013) is known as the additional rate.</p>
higher rate adjustment	Adjustment to an employee's tax code to reflect the income tax payable above the basic rate which has not been collected at source from other income.
higher rate code	<p>Tax code that requires an employer to deduct tax at the higher or additional rate of income tax (PAYE Regulations SI 2003 No 2682 reg 32).</p> <p>It is defined as a special code "which effects the deduction of tax wholly at the higher rate" (ibid reg 7(3)(b)).</p> <p>The code is D0.</p>
higher-rate contribution	<p>Rate of class 2 national insurance above the normal rate that may be imposed under Social Security Contributions and Benefits Act 1992 s11(3).</p> <p>This applies to an employee who is regarded as self-employed. Such rates have been introduced for share fishermen and volunteer workers.</p>
higher rate income	For the purposes of determining entitlement to savings nil rate for income tax, this term is defined in Income Tax Act 2007 s12B(8)(b) as inserted by Finance Act 2016 s4.

higher rate taxpayer	Someone who pays income tax at rates of 40% or above.
higher sugar threshold	For soft drinks industry levy, "a chargeable soft drink meets the higher sugar threshold if it contains at least 8 grams of sugars (whether or not as a result of containing added sugar ingredients) per 100 millilitres of prepared drink" (Finance Act 2017 s36(2)).
higher value	Term used in relation to residential property owned by a local authority. Its responsibilities for such property are set out in Housing and Planning Act 2016 from s69.
high gearing	Funding of a company which has a large amount of debt finance relative to equity finance . This has the effect of increasing the return to shareholders when profits are low and reducing them when profits are low.
high grade bond	Bond which has a high credit rating.
high grade security	Security that has a high rating. Examples include bonds from public authorities.
high income	<p>The government may make provisions about the rent to be paid by a high income tenant to a local authority (Housing and Planning Act 2016 from s80).</p> <p>HMRC may disclose details of income to the local housing authority for these purposes under s83.</p>
high income child benefit charge (HICBC)	<p>Income tax charge imposed as a means of recovering child benefit for taxpayers with an income above £50,000.</p> <p>The charge was introduced from 7 January 2013.</p> <p>The law is Income Tax (Earnings and Pensions) Act 2003 s681B.</p> <p>For an income above £60,000, the whole amount of child benefit is recovered. For an income between £50,000 and £60,000, a proportion of child benefit is recovered.</p> <p>HICBC may be recovered by adjusting the PAYE code under PAYE regulations SI 2003 No 2682 ref 14B.</p>
high-income individual	For the purposes of the tapered reduction of annual allowance for pension contributions, this is someone with earnings above £150,000 (Finance Act 2004 s228ZA(3) as inserted by Finance (No 2) Act 2015 Sch 4 para 10(3)).
high lending charge	Single insurance premium that is added to the normal premium because of the additional risk of providing a large loan relative to the security. It was common for such a charge to be made for mortgages of more than 90% of the property's value.
high likely need	<p>In relation to social security, a description of a person for whom alternative payment arrangements should be considered.</p> <p>Categories of such claimants may include those:</p> <ul style="list-style-type: none">• with 94addiction problems• who are living in temporary accommodation

- who have serious debt problems
- who are homeless
- suffering from violence
- who are being threatened with eviction
- who have serious mental health problems
- who are aged 16 or 17
- in a family with multiple and complex needs.

highly probable	“Significantly more likely than not” (FRS 102 glossary).
high net worth individual	Person who has significant personal wealth. Such people have particular accounting and tax requirements, which are usually addressed either by specialist firms. For HMRC purposes, such a person is one worth more than £20 million.
High Net Worth Unit (HNWU)	Part of HMRC that deals with high net worth individuals .
High quality liquid assets (HQLA)	Term used in banking to determine how much bank levy should be paid.
high risk CAP goods	Goods subject to special Common Agricultural Policy (CAP) controls that are considered to be of high revenue risk. Such goods must only be moved in sealed containers/vehicles under bond.
high risk product	Plant or plant-based product that is subject to special clearance procedures before it may obtain Customs clearance.
high-risk reservoir	Term defined in Reservoirs Act 1975 s2C, as inserted by Flood and Water Management Act 2010 Sch 4.
high risk tax avoidance scheme	List published by HMRC from 2011 of the most artificial tax avoidance schemes being marketed. The list indicates why HMRC thinks the scheme is ineffective. Under proposals, a user of the scheme would be required to pay an additional charge at a rate designed to cancel the cashflow benefit of using the scheme. A user of the scheme could protect himself or herself from tax penalties and interest by paying the avoided tax in advance.
high-roller	American colloquialism for a spendthrift.
high seas	All area of ocean not regarded as belonging to a particular country under international law.
high-tech	Description of modern products that use the latest technology. The term is also used for the companies that produce such products. Their investment profile is different from companies in older products in that they offer a much higher return for a much higher risk.

high toby	Old slang term for robbery on the road by a highwayman on a horse.
high value dealer (HVD)	<p>Person who deal with large amounts of money in the form of cash (ie banknotes and coins) in the course of business and who is not otherwise regulated. A car dealer or amusement arcade could be an HVD.</p> <p>The large amount is €15,000. In practice this is translated as £9,000, though this is below the usual sterling value of this euro amount. A trader is not an HVD if he receives payments of large amounts by other means (such as cheque or card) and refuses to accept cash above the limit.</p> <p>From 1 April 2004, HVDs must register as such with HMRC under laws on money laundering. The registration requirements were tightened on 15 December 2007.</p> <p>A definition of HVD is given in Proceeds of Crime Act 2002 Sch 9 para 1(1)(q) and 2(2).</p>
high value disposal	<p>Disposal made by a company of an ATED-related property. Such a disposal is subject to capital gains tax rather than corporation tax.</p> <p>Details are given in Finance Act 2013 Sch 25.</p>
high value flat	<p>Flat whose rent was above that quoted in a table, and which was excluded from the flat conversion allowance.</p> <p>The relevant law was contained in Capital Allowances Act 2001 s393E. This was repealed, with the allowance, from April 2013 by Finance Act 2012 s227 and Sch 39 para 37.</p>
high value package	Postal packet containing items of high value, such as bank notes, and for which there were special postal provisions. Such packages largely ceased from the early 1970s as banks and other bodies found more effective and secure methods of moving items of high value.
high volume agent (HVA)	Tax agent who deals with a large number of self-assessment returns. HMRC provisions are discussed in the Inspector's Manual at CH 820000.
high yield	Dividend which is large, particularly one which is larger than is normal for such a company.
high yield debt	Any form of financial instrument that secures a debt and which attracts a higher yield because of the perceived greater credit risk.
high yield stocks	Share or other security which pays a larger than usual dividend. This is often a sign that the company is in difficulty.
hike	Sudden increase, particularly in a price.
Hilary Term	Former legal term that ran from 13 January (St Hilary's Day) to the Wednesday before Easter.
hindsight	<p>Knowledge of what happened after the event.</p> <p>In accounting this can lead to an adjustment known as a post-balance sheet event.</p>

For tax purposes, the extent to which such an event affects taxable profits is discussed in the Inspectors' Manual at BIM38560. This notes that "when figures are amended taking advantage of hindsight then the use of hindsight should be unfettered". A leading case is *Simpson v James [1968] 44TC599*.

HIP **Home information pack.**

HIPC **Heavily indebted poor country.**

HIPC programme **Heavily Indebted Poor Countries Programme.**

This is a programme launched in 1998 to deal with the problems of countries with unrepayable debt. The programme works by requiring these countries to introduce proper economies, which usually requires privatisation of state industries and control on public spending.

hire Commercial transaction where a customer pays money for a time-related use of an asset or person.

hire cap Term used in Corporation Tax Act 2010 s285A(3) in relation to corporation tax on oil companies.

hire car Car hired for use for a short period.

hire purchase (HP)

Definition

A method of buying goods in which the purchaser takes possession of them as soon as he has paid an initial instalment of the price (a deposit) and obtains ownership of the goods when he has paid all the agreed number of subsequent instalments.

A hire-purchase agreement differs from a credit-sale agreement and sale by instalments (or a deferred payment agreement) because in these transactions ownership passes when the contract is signed. It also differs from a contract of hire, because in this case ownership never passes. Hire-purchase agreements were formerly controlled by government regulations stipulating the minimum deposit and the length of the repayment period. These controls were removed in 1982.

Consumer protection

"(1) A contract is a hire-purchase agreement if it meets the two conditions set out below.

"(2) The first condition is that under the contract goods are hired by the trader in return for periodical payments by the consumer (and "hired" is to be read in accordance with section 6(1)).

"(3) The second condition is that under the contract ownership of the goods will transfer to the consumer if the terms of the contract are complied with and —

- (a) the consumer exercises an option to buy the goods,
- (b) any party to the contract does an act specified in it, or
- (c) an event specified in the contract occurs.

"(4) But a contract is not a hire-purchase agreement if it is a **conditional**

sales contract.”

(Consumer Rights Act 2015 s7)

For company law, this definition is also applied under the provisions of Companies Act 2006 s1173(1).

Legal control

Hire-purchase agreements were also formerly controlled by the Hire Purchase Act 1965, but most are now regulated by the Consumer Credit Act 1974. In this Act a hire-purchase agreement is regarded as one in which goods are bailed in return for periodical payments by the bailee; ownership passes to the bailee if he complies with the terms of the agreement and exercises his option to purchase. A hire-purchase agreement often involves a finance company as a third party. The seller of the goods sells them outright to the finance company, which enters into a hire-purchase agreement with the hirer.

Value added tax

For VAT, goods supplied on hire purchase bear the same VAT Ctas if sold directly (VAT notice 700).

Tax provisions

The hire element of the agreement is revenue expenditure and is tax-deductible if it meets the usual “wholly and exclusively” test. The Inspector’s Manual explains when the hire charges should be taken to account at BIM45355.

The payment to acquire the goods (usually a nominal amount) is capital expenditure for which a capital allowance may be claimed. This accounting treatment was confirmed in the case *Darngavil Coal Co Ltd v Francis [1913] 7TC1*.

The tax treatment is discussed in the Inspector’s Manual at BIM45351.

Corporation tax provisions are given in Corporation Tax Act 2009 s875.

Provisions relating to capital allowances for goods acquired by hire purchase or similar contracts are given in Capital Allowances Act 2001 from s67.

In relation to an anti-avoidance provision in relation to leased trading assets, there are provisions in Income Tax Act 2007 s681DE.

A hire purchase agreement is not subject to stamp duty under the provisions of Finance Act 1907 s7.

Hiring Incentives to Restore Employment Act

American Act passed in 2010. Its provisions are relevant to the operation of **Foreign Account Tax Compliance Act 2010**.

his accounting period

For hydrocarbon oil duty, “means —

(a) in relation to a quarterly **rebate payment person**, any quarter in the year commencing 1st January, 1st April, 1st July and 1st October; and

(b) in relation to any annual rebate payment person, any year commencing 1st January following the issue of the licence to him, in which the Commissioners permit him to furnish an estimate in relation to a year commencing on that date”

(Hydrocarbon Oil Duties (Payment of Rebates) Regulations SI 1996 No 2313 reg 3(1)).

histogram	Graph where the relative sizes of items are reflected in the area that represents it.
historical cost convention (HCC)	Accounting convention that assets, liabilities and other items in the financial statements are shown at the original amount of currency. No allowance is made for inflation.
historic and inalienable assets	Term used before March 2005 for heritage assets .
historic buildings	<p>A donation to a maintenance fund for such buildings does not attract inheritance tax (Inheritance Tax Act 1984 s27).</p> <p>A historic house open to the public may be exempt from annual tax on enveloped dwellings.</p>
historic resources	Funds of a church, charity or public body which are derived from past giving.
historical cost	<p>Method of valuing assets and liabilities based on their original cost without adjustment for inflation or subsequent changing prices.</p> <p>“For assets, historical cost is the amount of cash or cash equivalent paid or the fair value of consideration given to acquire the asset at the time of acquisition.</p> <p>“For liabilities, historical cost is the amount of proceeds of cash or cash equivalents received or the fair value of non-cash assets received in exchange for the obligation at the time the obligation is incurred or in some circumstances (for example, income tax) the amounts of cash or cash equivalents expected to be paid to settle the the liability in the normal course of business...” (FRS 102 section 2.34(a)).</p>
historical cost accounting	<p>System of financial accounting which treats all figures at the amounts at which they were incurred and does not adjust them for inflation.</p> <p>This basis has statutory authority in SI 2008 No 409 and SI 2008 No 410 Part B.</p>
historical cost concept	Another term for historical cost convention .
historical cost convention	Widely used accounting basis which ignores the fact that money has lost value during the accounting period.
historical cost depreciation	Depreciation which is calculated on the original acquisition of the asset, unadjusted for inflation.
historical figures	Figures from previous sets of accounts.
historical pricing	Pricing method which sets prices on the basis of previous prices.
historical summary	Table of key financial indicators over a period, usually of five or ten years.

historical trading range	Difference between the highest and lowest prices for a share during a period.
historic house	House of interest because of its age. There are special VAT provisions for the sale of items from such houses. These are set out in VAT notice 701/12.
historic volatility	In investing, measure of the changes in prices or yields of a security over a defined period. This is usually calculated as a standard deviation .
HIT	Housing investment trust.
hit	(1) Colloquialism for something that is successful, particularly for a short time. (2) In investing, the acceptance of a bid or offer price.
hit squad	Nickname for the Strategic Response Unit, part of the Large Business Service at HMRC. Its brief is to assess the potential opportunity for tax avoidance in any new tax scheme.
hive off	Split off part of a company as a new business.
HK\$	Abbreviation: Hong Kong dollar.
HKD	ISO code for Hong Kong dollar.
HL	House of Lords.
HLCase	House of Lords Cases, series of law reports from 1862 to 1865.
HLIG	High Level Implementation Group. Such a group was established to consider the Scottish rate of income tax.
HLR	Housing Law Reports.
HM	Her Majesty, or His Majesty.
H&M	Hemming and Miller's Reports, law reports from 1862 to 1865.
HMAG	Prefix for HMRC's tax manual on holding and movements assurance guidance.
HMASA	Prefix for HMRC's tax manual on holding and movements alcohol strategy accounts.
HMASABN	Prefix for HMRC's tax manual on holding and movements: alcohol strategy abandonment of goods.
HMASAR	Prefix for HMRC's tax manual on holding and movements alcohol strategy – audit risk & PERCET.
HMASCR	Prefix for HMRC's tax manual on holding and movements alcohol strategy – credibility.

HMASPVA	Prefix for HMRC's tax manual on holding and movements alcohol strategy: post visit action.
HMASPVP	Prefix for HMRC's tax manual on holding and movements alcohol strategy – pre visit preparation.
HMASSC	Prefix for HMRC's tax manual on holding and movements alcohol strategy – supply chains.
HMASSR	Prefix for HMRC's tax manual on holding and movements alcohol strategy – subsidiary records.
HMASUV	Prefix for HMRC's tax manual on holding and movements alcohol strategy – unannounced visits.
HMC	Hospital management committee.
HMCE	HM Customs and Excise , part of HMRC since 2005.
HMCTS	Her Majesty's Courts and Tribunals Service.
HM Customs and Excise	Body that collected customs duties, excise duties, and, subsequently, other indirect taxes such as purchase tax and VAT. It was a merger of the Board of Excise founded in 1671 and the Board of Customs in 1683. The merged body was itself merged with Inland Revenue in 2005 to form HM Revenue and Customs.
HMDS	Prefix for HMRC's tax manual on holding and movements – duty stamps.
HMEXSH	Prefix for HMRC's tax manual on holding and movements export shops.
HMFSFA	Prefix for HMRC's tax manual on holding and movements – financial securities assurance.
HMIT	HM Inspector of Taxes.
HIMITS	Prefix for HMRC's tax manual on holdings and movements Italian tax stamps.
HMO	House in multiple occupation.
HMOWTR	Prefix for HMRC's tax manual on holding and movements owners and transporters guidance.
HMRC	HM Revenue and Customs . Her Majesty's Revenue and Customs. "HMRC means Her Majesty's Revenue and Customs" (Value Added Tax 1994 s96(1)).
HMRC 1	Factsheet on what to do if a taxpayer disagrees with a decision of HMRC.

- HMRC** Her Majesty's Revenue and Customs Commissioners.
- HMRC council tax information** "Means information which is held for council tax purposes by the Valuation Office of Her Majesty's Revenue and Customs" (Water Act 2014 s69(3)).
- HMRC decision** "Means —
(a) any decision of the Commissioners relating to an **HMRC matter**, or
(b) any decision of an officer of Revenue and Customs relating to an HMRC matter,
and references to an HMRC decision include references to anything done by such a person in connection with making such a decision or in consequence of such a decision" (Finance Act 2008 s124(11)).
- HMRC functions** In relation to co-operation with the Department of Work and Pensions on social security fraud, "means any function —
(a) for which the Commissioners of Her Majesty's Revenue and Customs are responsible by virtue of section 5 of the Commissioners for Revenue and Customs Act 2005, or
(b) which relates to a matter listed in Schedule 1 to that Act"
(Welfare Reform Act 2012 s127(7)).
- HMRC matter** In relation to information powers, "means a matter in relation to which the Commissioners, or officers of Revenue and Customs, have a power or duty"
(Finance Act 2008 s114(9)).
In relation to appeals, "means any matter connected with a function of the Commissioners or an officer of Revenue and Customs" (Finance Act 2008 s124(11)).
- HM Revenue and Customs (HMRC)**
The UK tax authority formed on 18 April 2005 from the merger of **Inland Revenue** and **Customs and Excise** by Commissioners for Revenue and Customs Act 2005. Since then, attempts have been to harmonise rules, time limits and procedures of the two previous bodies.
HMRC is a non-ministerial department. That means that politicians cannot direct day-to-day or operational decisions.
Around the same time, the authority for prosecutions was taken from the bodies and given to the **Revenue and Customs Prosecution Office (RCPO)**. Responsibility for border controls, such as to prevent illegal immigration, passed to a new Border Agency under Home Office control.
HMRC is responsible for the administration and collection of all UK taxes except vehicle excise duty and local taxes.
It is also responsible for valuing property (such as for inheritance tax and council tax), tax credits, national minimum wage, Customs control such as prevention of smuggling, and the collection of some statistics.
HMRC is administered by a board under a chairman. The board has an executive committee and non-executive directors.
- HM Revenue and Customs Brief**
Series of short statements produced each year from 2007 explaining HMRC's

understanding on a topical point of law.

HM Treasury

United Kingdom government department responsible for managing the public finances. Its origins date back to 1126 when it merged from the Royal Household under Henry I.

Since the 17th century, the Treasury is run by a commission, comprising **Lords of the Treasury**. The first Lord became recognised as the country's leader, now known as the **prime minister** and first Lord of the Treasury. Since 1827, the **Chancellor of the Exchequer** has been the second Lord of the Treasury. The other Lords of the Treasury are now usually government whips.

HM Revenue and Customs is one of the agencies of HM Treasury. Other agencies are Asset Protection Agency, National Savings and Investments, Royal Mint and UK Debt Management Office.

HMWARE

Prefix for HMRC's tax manual on holdings and movements warehousing guidance.

HNWI

High net worth individual.

HMWR

Holding, Movement, Warehousing: a Customs term.

HNL

ISO code for Honduras lempira.

HNWU

High Net Worth Unit.

HO

Home Office.

hoard

Store goods or cash, typically for a long time as a precaution against future need.

hoarstone

Stone marking the boundary of an estate.

hobby

Activity pursued for pleasure rather than profit. In general the cost or loss of such activities is not allowable for tax, as explained in the Inspectors' Manual at BIM20090.

hobby farming

Agricultural activity which is not pursued commercially. For the first five years, losses from this activity may not be offset against other profits (Income Tax Act 2007 ss67-68).

HOC

Home Office Circular.

hock

Pawn or pledge goods for money.

hock cart

The last cart load of harvest.

HODA

Hydrocarbon Oil Duties Act 1979.

Hogmanay

In Scotland, the last day of the year.

hogshead	Barrel used to contain liquor. Its size varies from 46 to 65 gallons depending on the drink.
hoist	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.
hoisting	Criminal slang for shoplifting.
hold	(1) In investment, policy of neither buying or selling a share or other security. (2) In transport, part of a large vehicle in which luggage is stored.
hold back	Wait and refrain from taking some action.
holder	Person who owns a financial instrument.
holder in due course	A holder who has taken a bill of exchange which appears to be complete and regular before it was overdue and without any knowledge of its having been dishonoured , and who took it in good faith and for value and without any knowledge of any defect in the title (Bills of Exchange Act 1882 s29(1)).
holder of record	Owner of securities whose name appears on the relevant register.
hold harmless letter	Letter indemnifying an auditor or other professional adviser from any legal action in connection with information provided by the auditor or adviser. The expression is a contraction of "hold me harmless". The auditor will usually draft the letter and require it to be signed before releasing the information. In tax, HMRC has not indicated whether it will accept such a letter as part of an Independent Business Review when a taxpayer seeks a Time to Pay arrangement for a sum greater than £1 million.
holding	Amount of an investment, as in holding of shares.
holding company	In the contest of employee-controlled companies means "a company whose business (ignoring any trade carried on by it) consists wholly or mainly of the holding of shares or securities of one or more companies which are its 75% subsidiaries" (Income Tax Act 2007 s397(6)). For corporation tax and distributions, the term is defined more narrowly to mean a company which has a 90% or greater holding in trading companies (Corporation Tax Act 2010 s185(2)).
holding cost	Cost of keeping items in stock. Such costs include storage, insurance, wastage, theft, accidental damage etc.
holding out	When a person acts as if he holds a position. In some cases, such conduct can make a person liable as if he did hold the position. For example Partnership Act 1890 s14 imposes a liability on

someone who holds himself out as a **partner**.

holding period	Length of time for which an investor holds an investment. This can be relevant in determining the amount of capital gains tax payable.
holding trustees	Trustees who hold a building and other assets for benefit of members, usually distinguished from managing trustees .
hold-mail	Address of someone else who agrees to hold mail on behalf of another person. Such addresses are often of banks, solicitors or accountants. For savings accounts opened from 6 April 2001, HMRC will not accept a hold-mail address from paying agents of savings funds when making their payment returns.
hold notice	Notice issued by HMRC which allows it to take funds from a taxpayer's bank account without reference to any court. The provisions are contained in Finance (No 2) Act 2015 Sch 8 para 4.
hold-over gain	Capital gain made when hold-over relief has been claimed. Its calculation is explained in Taxation of Capital Gains Act 1992 s154.
hold-over relief	Relief from capital gains tax that may be claimed in respect of a gift. The effect is defer the disposal until the recipient disposes of the asset. This relief may be claimed for various classes of depreciating assets as listed in Taxation of Capital Gains Act 1992 s155.
holiday	When an employee is allowed to be absent for rest. The law requires at least 5.6 weeks' paid holiday. For Customs purpose, holiday "in relation to any part of the United Kingdom, means any day that is a bank holiday in that part of the United Kingdom under the Banking and Financial Dealings Act 1971, Christmas Day, Good Friday, and the day appointed for the purposes of customs and excise for the celebration of Her Majesty's birthday" (Customs and Excise Management Act 1979 s1(1)).
holiday accommodation	For income tax purposes, holiday accommodation may be taxed as trading income which is usually preferable to having it taxed as property income. This allows capital allowances and more expenses to be offset against taxable income. For this purpose, the term often used is furnished holiday lettings . The main conditions for income tax are that: <ul style="list-style-type: none">• the property is let with a view to making a profit;• the room is furnished and the occupant may use the furniture;• the accommodation must be available for hire for at least 210 days in any year;• the accommodation must be actually let for at least 105 days in any year; and• there must be at least seven months in the year when no-one occupies any premises for a continuous period of more than 31 days. For periods before 1/6 April 2012, the periods of 210 and 105 days are

140 and 70 days respectively.

holiday club	Organisation which provides care and entertainment for children during school holidays.
holiday entitlement	Amount of holiday an employee is allowed to take.
holiday insurance	Policy that covers various risks relating to holidays. These may include travel delays, unavoidable cancellation, baggage loss, loss or personal items, and medical insurance.
holiday loan	Personal loan designed specifically to fund a special holiday, such as to mark a landmark anniversary. Such loans are typically given for amounts up to £15,000, repayable over three years.
holiday pay	Payment to an employee for a period where the employee is on holiday. In normal circumstances this is taxed as if the employee were still at work.
holiday/leisure site	Term used in VAT leaflet 701/20 in regard to caravans. The supply of a caravan on such a site is generally standard-rated for VAT rather than exempt.
holiday pay	(1) Payment of normal wages or salary while an employee is on holiday. (2) Payment from a separate fund, for which holiday pay “means — (a) any payment received by an individual in exchange for a voucher, stamp or similar document purchased by a person who employs (or employed) that individual for any holiday period, or (b) if such an individual has died, any payment received by a person claiming in respect of that individual's right to such a payment”. (PAYE regulations SI 2003 No 2682 reg 134).
holiday pay fund	A fund from which a person receives payment while on holiday. The employer provides a voucher, stamp or similar document which can be redeemed for payment from the fund from money provided by the employer. Such arrangements are now much less common as most holiday pay is now paid normally through the payroll. Where a holiday pay fund operates, the employee pays no tax on the value of the voucher or similar. The fund must deduct PAYE when making the payment (PAYE regulations SI 2003 No 2682 from reg 134).
holiday site	In the context of VAT exemption for land, “means a site or part of a site which is operated as a holiday or leisure site” (Value Added Tax 1994 Sch 9 Group 1 Note (14A) as inserted by Value Added Tax (Land Exemption Order) SI 2012 No 58 with effect from 1 March 2012).
holiday with pay	There is still an unrepealed Holidays with Pay Act 1938 s4, allowing the Secretary of State to assist employers and employees to set up a holiday with pay scheme.

hollowing out	Practice alleged against insurance companies of reducing cover on policies as a means of lowering premiums and getting higher placings on comparison websites. The practices can include putting low limits on claims, excluding most claims, having high excesses (sometimes above the claim limit).
Hollywood	Suburb of Los Angeles in California. As several major film companies are based there, the term has come to mean American films.
Holocaust	Term for the breaches of human rights committed by the Nazi government of Germany between 1933 and 1945, particularly against Jews, but also against gypsies, freemasons, homosexuals and the disabled. Many compensation payments to victims or their heirs are tax-free, as explained at Nazi compensation .
Holocaust Victim Assets Litigation	Arrangements made by Swiss banks to compensate those used as slaves or forced labourers during the second world war. On 16 December 2015, it was announced that payments under this scheme are exempt from inheritance tax.
holographic feature	Security device provided on banknotes, driving licences and other important documents. They appear three dimensional and change appearance according to the angle at which they are viewed. Such devices are difficult to forge.
hols	Holidays.
Holy Communion	Act of Christian worship. Under canon B17A, the collection at such a service in the Church of England is regarded as part of the general funds of the church.
holy week	The week before Easter.
holzgas	A form of wood gas .
home	Whether a residence is a home can be relevant for the statutory residence test for tax purposes. It is particularly relevant in determining whether the taxpayer qualifies for the split year treatment. HMRC has produced guidance on this in its leaflet RDR3. It lists those items it would expect to see, such as utility bills and a television subscription.
home address	Another name for residential address , for which there are special provisions under Companies Act 2006 s165.
home banking	System of banking where instructions are given over the Internet from a computer in the home.
home business	Business run from a person's home. Such businesses are excluded from the scope of Landlord and Tenant Act 1954 Part 2 by Small Business, Enterprise

and Employment Act 2015 s35.

- home counties** Counties near London. They originally comprised Kent, Surrey, Essex and Middlesex. Now it is usual also to include Buckinghamshire, Berkshire, Hertfordshire and Sussex. (Middlesex is now part of Greater London.)
- Home Department** Name used in official documents to refer to the **Home Office**.
- home income plan** Home income plans allow elderly homeowners to use the equity tied up in their home to purchase an income and thus increase their standard of living. Homeowners can release this capital without having to sell their home.
With a reversion plan, the home is sold to an insurance company that then pays a regular income to the owner. On the death of the owner, the house becomes the property of the insurance company.
- home information pack (HIP)** Pack of documents which a seller of a dwelling must prepare under Housing Act 2004 s148. This requirement has now been abolished.
- home loan** Loan made to allow a person to acquire a home.
In company law, such a loan made by a company to one of its directors requires the approval of its members unless the loan is made on the same terms as the company offers to all its employees (Companies Act 2006 s209).
- Home Office (HO)** Government department formed in 1782. It has a wide range of responsibilities including immigration, national security, and law and order.
In official papers, it is called the Home Department.
- home office** In tax, payment for maintaining office facilities in a home.
Such expenditure is allowable for both employed and self-employed taxpayers. HMRC accepts £4 a week (from 6 April 2012) without the need for supporting evidence. Higher figures can be accepted if supported by evidence. It is acceptable to pro-rate general household overheads, such as claiming one seventh of council tax and electricity bill when one room is set aside in a seven-room house.
Use of a home office means that a portion of the house ceases to qualify for **private residence relief** for capital gains tax. In many cases, this will not matter as the amount of capital gain is less than the available allowances, but this should always be considered, particularly if the house is expensive and the home office claims are large.
- home owners equity account** In banking, a credit line offered by banks and other lenders to home-owners against the equity in their property.
- home owners insurance** Insurance provided to home owners for such risks as damage to the building, theft or property, and personal liability to visitors.
- home purchasing agreement** In relation to capital gains tax and private residence relief, "means an agreement —
(a) made with the employer or a person operating under an agreement with the employer ("the purchaser"),

(b) which includes a term entitling the individual to receive a share of any such profit as is mentioned in subsection (2)(a)" (Taxation of Capital Gains Act 1992 s225C(3)).

Homer, Dame Lin Retired English civil servant (1957-) who was chief executive of HMRC between 2012 and 2016.

home responsibilities protection (HRP)

For national insurance, a provision that preserves an individual's right to receive the state pension while caring for children or a dependent relative. This was replaced in 2012.

home service insurance Insurance policy that provides cover for home repairs, such as an emergency plumber or electrician.

home trade Trade in the country where the business is based.

home use For Customs purposes, the United Kingdom home market.
For excise duty, the term means for domestic heating rather than as fuel for a road vehicle. Such oil may be excused duty under the provisions of Hydrocarbon Oil Duties Act 1979 s9.

home use removal (or delivery)

Removal from registered premises or an excise warehouse for duty paid consumption in the UK.

homelessness strategy Review and strategy which a local housing authority must conduct from time to time in regard to homelessness (Homelessness Act 2002 s1).

homeworker Person who works from home as an employee.

Such a person may be exempt from tax on any payment made by the employer for additional expenses (Income Tax (Earnings And Pensions) Act 2003 s316A), known as **homeworker's additional household expenses**.

homeworker's additional household expenses

Amount that an employer may pay to an employee for the additional costs of doing some work from home. Amounts up to this sum may be paid without any need for supporting evidence. A higher sum may be claimable by the employee, but needs supporting evidence.

The allowance is given under Income Tax (Earnings And Pensions) Act 2003 s316A.

It is explained in the Inspector's Manual at EIM 01472.

The weekly rate is:

From	Amount
6 April 2012	£4
6 April 2008	£3
6 April 2003	£2

hominis est errare	Latin: it belongs to man to err.
homme d'affaires	French: businessman.
homme moyen sensuel	French: ordinary man.
homophobia	<p>Fear or hatred of homosexuals.</p> <p>In itself, this is not illegal, but discrimination or certain other manifestations may contravene equality laws.</p>
homosexuality	<p>Sexual attraction to a person of the same sex.</p> <p>In the UK, this has at different times been regarded as a criminal offence, an illness, and (currently) as a normal form of sexuality.</p> <p>It was a capital offence under Buggery Act 1533.</p> <p>It was a criminal offence under Offences Against the Person Act 1861 s61 which refers to "the abominable crime of buggery", but replaced hanging with penal servitude. (This Act remains part of the UK criminal law though this section has been repealed.)</p> <p>In 1957, the Wolfenden Report found that homosexuality was not a disease. It recommended that the offence be decriminalised.</p> <p>In 1967, the offence was decriminalised in England between consenting adults aged 21 under Sexual Offences Act 1967. Similar laws were passed in Scotland in 1981, and in Northern Ireland in 1982.</p> <p>That age was reduced to 16 in 2001 (Sexual Offences Amendment Act 2000).</p> <p>Local Government Act 1988 s28 banned schools from promoting homosexuality in state schools. No prosecutions were brought, and this law was repealed in 2003.</p> <p>The ban on homosexuals in the military was repealed in 1999.</p> <p>Same-sex couples were allowed to adopt children from 2002 in England, and from 2009 in Scotland.</p> <p>Sexual Offences Act 2003 harmonised homosexual offences with heterosexual offences.</p> <p>From 5 December 2005, it has been possible for two people of the same sex to form a civil partnership which has almost identical tax and social security treatment as marriage. However sexual activity is not a condition for a valid civil partnership. Subsequently same sex marriage has been legalised.</p> <p>Since 30 April 2007, it has generally been illegal to discriminate against homosexuals under Sexual Orientation Regulations 2007. There are exceptions for religious bodies that believe homosexuality is wrong. This law is now contained in Equality Act 2010.</p> <p>From 27 April 2017, homosexual acts cease to justify dismissal from the crew of merchant ships. Merchant Shipping (Homosexual Conduct) Act 2017 repealed Criminal Justice and Public Order Act 1994 ss146(4) and 147(3).</p> <p>This is the only known instance where in 50 years an activity has gone from <i>being</i> a criminal offence to an activity where <i>criticism</i> of it can be a criminal offence.</p> <p>In 2009, HMRC produced leaflet Pride 1 giving "information for our lesbian, gay, bisexual and transgender customers".</p>

Hon	Honorary
Honduras	South American state. Its currency is the lempira of 100 centavos. The UK has no double taxation treaty.
honesty	“Honesty is being truthful and open” (Civil Service values).
Hon Sec	Honorary Secretary
Hong Kong	Territory in China. It was a British dependent territory until 30 June 1997 when sovereignty returned to China. Its currency is the Hong Kong dollar of 100 cents. The UK has a double taxation agreement of 2010.
Hong Kong dollar	Currency of Hong Kong, comprising 100 cents.
honk	Slang term for money.
honorarium	Sum paid to a person when a salary, wage or other fee has not been agreed. It is taxed as salary.
honorary (Hon)	Description of a position which is unpaid, such as a secretary of a club.
honour	In finance, paying a cheque or similar instrument as required.
honour clause	Clause in an agreement which expressly states that it is not a contract. Such an agreement cannot be enforced (<i>Appleson v Littlewood [1939]</i>).
honour party	Group of prisoners who are trusted to work outside the prison with little or no supervision.
honours system	<p>“The honours system recognises people who have:</p> <ul style="list-style-type: none">• made achievements in public life• committed themselves to serving and helping Britain <p>They’ll usually have made life better for other people or be outstanding at what they do.</p> <p>Civilian gallantry awards recognise bravery by people who have attempted to or saved the life of a British citizen who isn’t a family member or close friend.</p> <p>Nominations are judged on:</p> <ul style="list-style-type: none">• degree of risk• how aware the nominee was of the danger• persistence. <p>Whether someone gets an honour – and the honour they get – is decided by an honours committee. The committee’s decisions go to the Prime Minister and then to the Queen, who awards the honour.” (Gov.UK website)</p> <p>Anyone can nominate someone for an honour, though they cannot suggest what honour is appropriate. That is determined by the committee.</p> <p>As part of the system, potential recipients are checked by government departments. This can include checking by HMRC for tax compliance.</p>

honour supra protest	Process described thus: "Where a bill of exchange has been protested for dishonour by non-acceptance, or protested for better security, and is not overdue, any person, not being a party already liable thereon may, with the consent of the holder, intervene and accept the bill <i>supra protest</i> , for the honour of any party liable thereon, or for the honour of the person for whose account the bill is drawn" (Bills of Exchange Act 1882 s65(1)).
hooch	American slang for illicit liquor.
hook-up charge	Charge for connecting a caravan to a supply of electricity or gas. In general, if the caravan user has the option of whether to connect, the charge is subject to VAT at the reduced rate (as an integral supply of domestic energy). Otherwise, it is usually taxed at the standard-rate. Further details are provided in VAT leaflet 701/20.
hope value	Additional value of land reflecting the probability that it may one day be given planning permission for a more valuable use, and thus create development value . An example is buying a piece of land in the Green Belt in the hope that, perhaps in 30 years' time, the land will be removed from the Green Belt and allowed for development.
hop-pocket	Old sack used for grain which held about 1½ cwt.
hoppus foot	Unit of volume for round timber.
HOR	Hydrocarbon Oil Regulations 1973.
Horizon	Software used by the Post Office counter services.
horizontal equity	Economic term for the principle that taxpayers with equal incomes should pay the same amount of tax. It is a basic principle in the notion of ability to pay as applied to direct taxes.
horizontal integration	Process of expansion by acquiring businesses in the same area as yourself.
horizontal spread	In investing, an options strategy that involves buying and selling contracts with the same strike price but different maturities.
Horlicks tablets	The VAT tribunal held that these were zero-rated as food. The deciding factor was that they had not been sweetened as confectionery. (<i>Smith Kline Beecham plc. [1993] VTD 10222</i>).
Horne, Robert	Scottish politician (1871-1940) who was Chancellor of the Exchequer from 1 April 1921 to 19 October 1922 in the last days of the coalition government led by David Lloyd George.
horn player	Before 6 April 2006 (when the normal pension retirement age was 60), such a person was allowed to retire on a full pension at the age of 55.

horse

Employment expense

For income tax, an employee who had to provide horse for his work was allowed to claim relief on the whole cost until 5 April 1998.

Under present rules, the employee can claim on the basis of actual cost if the employee owns the horse. If the employer provides a horse, the employee will be assessed on the 20% basis for an asset provided.

Plant

A horse is plant for the purpose of capital allowances. This was held in *Yarmouth v France [1887] CA. 19 QBD 647*. Indeed that case set the precedent still widely followed on the definition of plant.

Meat

For VAT, horses are generally standard-rated. However horse meat that is prepared for human consumption is zero-rated (VAT notice 701/14).

Inheritance tax

Breeding and rearing horses is an agricultural activity which therefore brings it within the scope of agricultural property relief. This was stated in Tax Bulletin of June 2005. Horses themselves do not qualify for agricultural property relief but may qualify for business property relief.

Vehicle excise duty

Horse-drawn vehicles are not subject to vehicle excise duty as they are not mechanically propelled.

Microchipping

From October 2020, horses and ponies must be microchipped.

horsepower

Unit of power roughly equal to that of a horse. It is widely used for vehicles and other machinery.

It is now defined as the power needed to lift 33,000 pounds by one foot in one minute (which James Watt calculated was the power of 1½ horses).

horserace betting levy

Levy charged under Horserace Betting Levy Act 1969. It is one of the betting and gaming excise duties.

Horserace Betting Levy System

Scheme of the **Horserace Totalisator Board** that was abolished by Horserace Betting and Olympic Lottery Act 2004.

horse-race course

“Premises which are designed, used or adapted for use for horse-racing” (Gambling Act 2005 s353).

Horserace Totalisator Board (the Tote)

Body established under Horserace Totaliser and Betting Levy Boards Act 1972 and dissolved by Horserace Betting and Olympic Lottery Act 2004 s1.

Section 18 of the Act deals with the tax consequences.

horse trading	Colloquialism for hard bargaining.
horticultural produce	<p>For the purpose of exempting vehicles from oil duty, “means —</p> <ul style="list-style-type: none">(a) fruit(b) vegetables of a kind grown for human consumption, including fungi, but not including maincrop potatoes or peas grown from seed, for harvesting dry or for vining,(c) flowers, pot plants and decorative foliage,(d) herbs,(e) seeds other than pea seeds, and bulbs and other material, being seeds, bulbs or material for the growing or planting for the production of —<ul style="list-style-type: none">(i) fruit,(ii) vegetables falling within paragraph (b) above,(iii) flowers, plants or foliage falling within paragraph (c) above, or(iv) herbs, <p>or for reproduction of the seeds, bulbs or other material planted, or</p> <ul style="list-style-type: none">(f) trees and shrubs, other than trees grown for the purpose of afforestation; but does not include hops” <p>(Hydrocarbon Oil Duties Act 1979 Sch 2).</p>
horticultural producer	Such a producer of horticultural produce may be able to claim relief from excise duty on the use of heavy oil (Hydrocarbon Oil Duties Act 1979 s17).
hospital accommodation	<p>In relation to social security fraud, “means—</p> <ul style="list-style-type: none">(a) in relation to England, hospital accommodation within the meaning of the National Health Service Act 2006 which is provided by a Primary Care Trust, an NHS trust or an NHS foundation trust;(b) in relation to Wales, hospital accommodation within the meaning of the National Health Service (Wales) Act 2006 which is provided by a Local Health Board or an NHS trust;(c) in relation to Scotland, hospital accommodation within the meaning of the National Health Service (Scotland) Act 1978 which is provided by a Health Board or Special Health Board but excluding accommodation in an institution for providing dental treatment maintained in connection with a dental school.” <p>(Welfare Reform Act 2012 s130(4)).</p>
hospital in-patients	Their entitlement to the personal independence payment is subject to restrictions made under Welfare Reform Act 2012 s86.
hospitality	<p>Provision of basic human necessities, particularly light refreshments such as tea, coffee, biscuits and sandwiches.</p> <p>Although there is an element of human sustenance, this is not usually considered sufficient to disallow expenditure as being not exclusively for a trade. The matter is discussed in the Inspectors’ Manual at BIM37400.</p> <p>The manual says at BIM 45010 that there is no real difference between hospitality and business entertainment.</p> <p>HMRC has confirmed that normal hospitality to its officers during a visit will not be regarded as bribery.</p>

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Bona fide hospitality and promotional, or other business expenditure which seeks to improve the image of a commercial organisation, better to present its products and services, or establish cordial relations, is recognised as an established and important part of doing business.

Ministry of Justice guidance 2011

- hospital patient** For care purposes, a definition is provided in Care Act 2014 Sch 3 para 7(1).
- Host City Contract** Contract in connection with the London Olympics of 2012. It was signed in Singapore on 6 July 2005 by the International Olympic Committee, the Mayor of London and the British Olympic Association.
- host** In computing, any end-user computer system that connects to a network.
- hostage customer** Bank customer who cannot clear an overdraft and is therefore at the mercy of the bank when it imposes interest and charges.
- host contract** In relation to index-linked gilt-edged securities with embedded contracts for difference, the term “means the loan relationship to which the company is treated as a party under section 415(2) (loan relationships and embedded derivatives) because of the creditor relationship mentioned in subsection (2)” (Corporation Tax Act 2009 s623(7)).
- hostile bid** Offer to buy one company to take over another company where the latter company resists such takeover. It is also known as a **contested takeover**.
- hostile 115takeover** Another term for a **hostile bid**.
- hostile witness** Witness giving evidence against the person on whose behalf he is being questioned. The term **adverse witness** is also used.
- host rock** Indigenous (and largely worthless) rock to which ore or other useable mineral is attached.
The presence of host rock can be relevant in determining liability to **aggregates tax**.
- hot** In relation to VAT on hot food, “something is hot if it is at a temperature above the ambient air temperature” (Value Added Tax 1994 Group 8 Note (3C)).
- hotchpot** An accumulation of benefits. The word originally meant a pudding from many ingredients.
For inheritance and trusts, the term means a commixture of funds and other property for the equitable division among children. If one child took funds early, those funds were added to the total and subtracted from that child’s share.
For example, a man leaves £1 million to his three children, one of whom had previously been given £200,000. Under hotchpot, the estate is valued at £1.2 million which is split three ways. The child who had received £200,000

has that subtracted from their share of £400,000. So the estate is divided as £400,000; £400,000 and £200,000.

In the UK, this rule was abolished from 1 January 1996 under Law Reform (Succession) Act 1995 s1(2).

Such provisions now only apply if there is a specific clause in the will or trust deed to that effect.

Some other countries still have hotchpot as part of their law.

hotchpot clause

Provision in a will or trust deed that uses the provisions of **hotchpot**.

In the case, *re Crosier [1897]*, the judge said "What is the object of every hotchpot clause? It is simply to prevent a person to whom a testator has left a share of his estate, and who has been advanced in the testator's lifetime, from obtaining, by the combined effect of the bequest and the advance, more of the testator's property than he intended the legatee should have."

The incidence of such clauses waned during the later decades of the 20th century. Where still used, it is essential that the clause specifies exactly what advances should be considered.

hot desking

Practice whereby every worker is not allocated their own desk but may use an available desk when in the office. Such a practice is usually only acceptable for those who are not office-based, such as sales representatives.

hotel

Trading business that provides licences for short-term room hire.

A hotel is a **trade related property**.

A hotel is not subject to **annual tax on enveloped dwellings**.

Hotels qualified for a 4% writing down allowance for expenditure incurred between 12 April 1978 and 31 March 1986. Before 14 March 1984, they also qualified for a 20% initial allowance. If a hotel was built in an **enterprise zone**, it could qualify for a 100% initial allowance.

For capital allowance purposes, a hotel had to:

- be open for at least four months between April and October
- have at least ten bedrooms available for letting
- provide related services, such as breakfast, evening meal, laundry

of bedsheets and room cleaning.

These details were set out in statement of practice SP 9/87.

hotel accommodation

"When you or your employees are away from your normal place of work on a business trip, you can treat as input tax all the VAT incurred on hotel and similar accommodation" (VAT Notice 700).

hotels and comparable establishments

Activity which excludes a company from the scope of **EIS relief**. It is defined for this purpose in Income Tax Act 2007 s197.

This term is also used in Income Tax Act 2007 s308 to exclude such businesses from the scope of venture capital trust tax relief.

Sub-section (2) explains that a comparable establishment is "a guest house, hostel or other establishment the main purpose of which is the provision of facilities for overnight accommodation (with or without catering

services)".

hot food

For VAT, food that is sold while hot with the intention of being eaten while hot (such as burgers and chips) is standard-rated. Food that is hot solely because it has not yet cooled down (such as fresh bread) is generally zero-rated. Food that is sold cold to be heated by the customer (such as fresh meat) is generally zero-rated.

"Hot food means any food which (or any part of which) is **hot** at the time it is provided to the customer and —

(a) has been heated for the purposes of enabling it to be consumed hot,

(b) has been heated to order,

(c) has been **kept hot** after heating,

(d) is provided to a customer in packaging that retains heat (whether or not the packaging was primarily designed for that purpose) or in any other packaging that is specifically designed for hot food, or

(e) is advertised or marketed in a way that indicates that it is supplied hot" (Value Added Tax 1994 Group 8 Note (3B)).

Further details are given in VAT notices 701/14 (food) and 709/1 (catering).

hot IPO

Colloquialism for an **initial public offering (IPO)** where the demand is greater than the supply.

hot pie

For VAT, a supply is zero-rated as food if the pie was only hot either because it had not cooled down from baking, or to create a pleasant smell to attract customers. It is only standard-rated as hot take-away food if designed to be eaten hot. *John Pimblett & Sons Ltd. CA [1987] STC 358.*

hot pursuit

When a vehicle used for law enforcement is following a vehicle used for a crime. The general rule is that the former vehicle is excused certain highway provisions, such as obeying road signs, and may follow the vehicle into a territory where it does not otherwise have authority.

Modern Slavery Act 2015 s38 has a special provision about hot pursuit of ships.

hot spot

In computing, location where Internet access is available.

hot springs

For VAT, water taken from such a spring and not further heated or treated is zero-rated as water under Value Added Tax Act 1994 Sch 8 Group 2 when supplied for non-industrial use. Details are given in VAT notice 701/16.

hot stock

Colloquialism for a share or equivalent security whose prices rise high because of demand.

hot take-away food and drink

Food and drink which is sold to be taken away and eaten while it is still hot. From 1 May 1985, such food and drink is standard-rated for VAT whereas other takeaway food and drink is usually zero-rated.

The main points include:

- "hot" means above room temperature;

- the item must be hot when supplied and not taken away for the customer to heat up;
- food is not hot if it simply has not cooled down from a cooking process, such as fresh-baked bread;
- food is hot if it is supplied warm to create a pleasant smell, such as hot sausage rolls;
- hot food includes any related cold food supplied with it, such as a bun for a burger.

hot water

For VAT, this is usually regarded as standard-rated supply of heat rather than a zero-rated supply of water. Further details are given in VAT notice 701/16.

hour

Unit of time comprising 60 minutes or 3,600 seconds. There are 24 hours in a day, 168 in a week, and 8,760 in a 365-day year.

The hour is a common unit for determining wage rates.

hourly rate

Rate per hour, particularly of pay or hire charge.

hour's journey

Old term for a journey of three miles.

house

(1) Unit of accommodation, usually one which stands on its own land.

“A building or part of a building consisting of one or more dwellings” (Housing Act 2004 s99).

(2) Term referring to the institution of a company, as in “on the house” or “house policy”.

house agent

Estate agent who specialises in selling houses.

house air waybill

A forwarding agent's **bill of landing**, that forms part of a consolidation.

houseboat

“A floating decked structure:

- which is designed or adapted for use solely as a place of permanent habitation, and
- which does not have the means of, and which is not capable of being readily adapted for, **self-propulsion**” (VAT leaflet 701/20).

The supply of a houseboat is zero-rated under Value Added Tax Act 1994 Sch 8 Group 8. This includes the non-commercial letting of houseboats. Guidance is given in VAT notice 701/20.

house call

In investing, notification by a broker to a client that more funds are needed to bring a margin account up to a required level.

household

Group of people living together as one unit.

In relation to troubled families, a household “means a group of two or more persons who —

- (a) have the same only or main residence, and
- (b) share living 118accommodation118 or one meal each day” (Welfare Reform and Work Act 2016 s3(10)).

household benefit cap Restriction on total amount of social security benefits that a household may receive.
This is based on average earnings after tax and national insurance. The figure was introduced at £26,000 a year (£500 a week) from April 2012.

household debt Money owed by a household.

household expense rate Amount that an employer may pay to an employee for the additional costs of doing some work from home. Amounts up to this sum may be paid without any need for supporting evidence. A higher sum may be claimable by the employee, but needs supporting evidence.

The allowance is given under Income Tax (Earnings And Pensions) Act 2003 s316A. It is explained in the Inspector's Manual at EIM 01472.

The weekly rate is:

From	Amount
6 April 2012	£4
6 April 2008	£3
6 April 2003	£2

household goods Essentials to everyday living which cannot be seized from a bankrupt. They are also known as **chattels**.

For Customs purposes, "furnishing and fittings for the home, and also personal items such as cameras, linen, jewellery and clothing" (Customs notice 3).

household insurance Insurance offered to households to provide cover for such risks as the premises and contents, liability to visitors, and related legal expenses.

Household Means Test Social security test introduced in 1934 to assess the needs of a household. The test was greatly resented as it penalised savers.

house husband Man who stays at home to do domestic duties instead of doing paid work.

house in multiple occupation (HMO) In Scotland means "living accommodation ... occupied by 3 or more persons who are not all members of the same family or of one or other of two families" (Housing (Scotland) Act 2006 s125(1)). It needs a licence under Housing Act 2004 s55.

housekeeper allowance Additional tax allowance available between 6 April 1920 and 5 April 1988 when a taxpayer engaged the services of a housekeeper.

The rates were:

From	Amount
6 April 1973	£100
6 April 1953	£60
6 April 1931	£50

6 April 1924	£60
6 April 1920	£45

House of Commons	One of the two Houses of Parliament. The Budget is presented in this House by the Chancellor of the Exchequer . From this a Finance Bill is produced. This is debated in the House of Lords, which cannot delay or amend the Bill.
House of Commons Members' Fund	Fund established under House of Commons Member's Fund Act 1939 s1 to provide for widows, widowers and orphans of past or previous members. The tax treatment of payments from the fund is set out in Income Tax (Earnings And Pensions) Act 2003 ss619-622.
House of Hanover	Monarchical house from 1714 to 1901, including the reigns of George I, George II, George III, George IV, William IV and Queen Victoria.
House of Lords	One of the Houses of Parliament which has limited powers compared to the House of Commons. It debates the Finance Bills and other money bills but cannot reject them (Parliament Act 1911 s1). It was also the highest court in the land, until this function was taken over by the Supreme Court from 1 October 2009.
House of Saxe-Coburg and Gotha	Monarchical house from 1901 to 1917 covering the reign of Edward VII and the first seven years of George V.
House of Stuart	Monarchical house from 1707 to 1714 covering only the reign of Queen Anne.
House of Windsor	Monarchical house from 1917 to the present day. It was previously known as House of Saxe-Coburg and Gotha. It includes the end of the reign of George V, and the whole reigns of Edward VIII, George VI and Elizabeth II.
house tax	A supplement to window tax, charged from 1778 to 1834. It was charged on inhabited houses.
housewife	Woman who stays at home for domestic duties instead of taking paid work.
housing	"Means a building, or part of a building, occupied or intended to be occupied as a dwelling or as more than one dwelling" (Housing and Planning Act 2016 s56).
housing administration order	Order that may be made in respect of an insolvent provider of social housing under the provisions of Housing and Planning Act 2016 from s95.
housing administrator	Officer of the court appointed when a provider of social housing has become insolvent (Housing and Planning Act 2016 s101).
housing assistance	Money or other assistance that may be provided in Scotland under Social Security (Scotland) Act 2018 s35.

- housing association** Tax provisions for tax relief grants in Housing Act 1988 s54.
Gifts to housing associations are generally exempt from inheritance tax (Inheritance Tax Act 1984 s24A) and capital gains tax (Taxation of Capital Gains Act 1992 s259).
- housing benefit (HB)** Means-tested social security benefit to help pay rent for people on low incomes. It is paid under Social Security Contributions and Benefits Act 1992 s130.
This benefit is not subject to income tax (Income Tax (Earnings And Pensions) Act 2003 s677).
Housing benefit is being gradually abolished and replaced by **universal credit** under Welfare Reform Act 2012 s33(1)(d).
- housing costs** For **universal credit**, one of the additions that may be made to the **standard allowance**.
The relevant law is Welfare Reform Act 2012 s11.
- housing grant** Grant provided by a local authority to assist a disabled person. Such grants are usually made under provisions of the Housing Grants, Construction and Regeneration Act 1996. It may also be provided under devolved legislation.
Such grants are explicitly excluded from corporation tax by Corporation Tax Act 2009 s1284.
- housing investment trust (HIT)** From 29 April 1996, such trusts are taxed as **investment trusts**.
- Housing Revenue Account subsidy**
This is abolished by Localism Act 2011 Sch 15.
- housing starts** In economics, the number of dwellings for which construction work has started in a given period. It is widely used as a measure of a country's economic performance.
- hoveller** Old term for a boatman who does unlicensed piloting work.
- hovercraft** Vessel which travels across land and sea on a cushion of air. A hovercraft first crossed the English Channel in 1959.
A legal definition is given in Hovercraft Act 1968. This definition is used in tax statutes, such as for **hold-over relief** from capital gains tax (Taxation of Capital Gains Act 1992 s155 class 2).
For VAT, "ship includes hovercraft" (Value Added Tax 1994 s96(1)).
For VAT, it is generally zero-rated under Value Added Tax Act 1994 Sch 8 Group 8.
For customs duties purposes, the control of hovercraft is governed by Customs and Excise Management Act 1979 s23.
For all other tax purposes, a hovercraft is regarded as a ship.
- Howard, Michael** Welsh-born Conservative politician (1941-) who was Shadow Chancellor from 18 September 2001 to 6 November 2003, when he became Leader of the Opposition.

Howe, Geoffrey	Welsh-born Conservative politician (1926-2015) who was Chancellor of the Exchequer from 4 May 1979 to June 1983 under the prime ministership of Margaret Thatcher. His Budget of 1981 defied economic thinking by deflating the economy during a recession. This included the start of moving from direct taxes to indirect taxes, particularly reducing income tax and increasing VAT. Howe was Shadow Chancellor from 11 February 1975 to 4 May 1979.
HQLA	High quality liquid assets.
HR	Human resources.
HRA	Health Research Authority.
HRK	ISO code for Croatian kuna.
HRM	Human resource management.
HRP	Home responsibilities protection.
HRT	Hand-rolling tobacco.
hryvna	Currency of Ukraine.
HS	Harmonised System of Customs duties.
HS2	High Speed railway line to be built in two phases: phase 1 from London to Birmingham by 2026 and phase 2 to Manchester and Leeds by 2033. Authorisation is the High Speed Rail (London – West Midlands) Act 2017.
HSBC	Hongkong and Shanghai Banking Corporation which took over Midland Bank in 1992 and renamed it in 1999.
HSC	Harmonised System Committee.
HSEN	Harmonised System Explanatory Notes.
HSI	Hang Seng index.
HST	High speed transmission.
HSWA	Health and Safety at Work Act 1974.
HTG	ISO code for Haitian gourde.
HU	Country prefix code for Hungary.
huckster	Retailer of small domestic goods, traditionally one who higgles.

HUF	ISO code for Hungarian forint.
Hull Urban Regeneration Company Ltd	Body designated as an urban regeneration company under Income and Corporation Taxes Act 1988 s79B (Urban Regeneration Companies (Tax) (Designation) Order SI 2004 No 439 para 2).
human capital	Seeing the workforce as an asset, equivalent to capital.
human capital accounting	Attempt to value the combined knowledge and skill of a workforce. It is not a recognised intangible asset and cannot therefore appear on a balance sheet.
human capital approach	<p>A social security policy that involves the government making long-term investments in education and training, combined with support mechanisms to assist unemployed people back in work.</p> <p>The alternative policy is commonly known as work first, which is the policy adopted in the UK, USA and Australia.</p>
human consumption	<p>One of the conditions which must be met for food to be zero-rated for VAT.</p> <p>This means that the item must have both nutrition and palatability. So food does not include appetite suppressants, dietary supplements, food additives and medicines (though some medicines may be zero-rated under other provisions).</p>
humane	Having the characteristics of generosity, kindness and mercy.
humanitarian	<p>Description of relief or assistance designed to provide basic human support for people in difficulties, such as providing food, medicine, temporary accommodation and clean water. Most forms of sanction against countries exempt humanitarian assistance.</p> <p>The term originally meant someone who denied the divinity of Christ.</p>
humanitarian assistance	Provision of such basic supplies as accommodation, food, water and medicine, and also advice and manpower, to alleviate a natural or man-made disaster. The Secretary of State may provide any person or body with such assistance under International Development Act 2002 s3.
humanomics	Term used by Canadian credit unions for a national initiative launched on 1 May 2014. It aims to bring a human focus to economic concepts.
human resource	Person who provides a function within an organisation.
human resource accounting	Attempting to value the knowledge and skill of the workforce in financial terms.
human resources (HR)	General term for the management functions relating to the staff of an organisation. It includes such areas as personnel, pay, recruitment, working relations, and grievance and discipline.

human rights	<p>Fundamental rights of the individual which should be upheld by law.</p> <p>Although the scope varies from context to context, most lists include freedom of:</p> <ul style="list-style-type: none">• speech;• religion;• movement;• association; <p>and privacy, and the right to a fair trial.</p> <p>Some tax cases have been brought alleging that a tax or penalty contravenes the fundamental right to enjoy personal property.</p> <p>Under Equality Act 2006 s9(2) this includes rights under Human Rights Act 1998 and “other human rights”.</p>
Human Rights Act	<p>Act of 1998 that incorporated the European Convention on Human Rights into English law.</p>
Human Tissue Authority	<p>Body corporate established under Human Tissue Act 2004 s13 for dealing with human organs of deceased persons. This includes issuing licences.</p>
human trafficking	<p>Arranging travel for someone with a view to them being exploited (Modern Slavery Act 2015 s2).</p>
hundredweight	<p>Imperial unit of weight, which was widely used for such purposes as coal. It is equal to 112 pounds. There are 20 hundredweight in a ton.</p> <p>A hundredweight is equal to 50.802 kilograms. There are 196.8 hundredweight in a metric tonne.</p> <p>A metric hundredweight is 50 kilograms.</p>
Hungary	<p>East European country which is a member of the European Union. Its currency is the forint of 100 filler. The UK has a double taxation convention of 2011.</p>
Hunt, George	<p>English Conservative politician (1825-1877) who was Chancellor of the Exchequer from 29 February 1868 to 1 December 1868.</p>
hunt and peck	<p>Colloquial term for inexperienced typists who have to look at the keyboard to find letters.</p>
hunting	<p>Generally from 18 February 2005, hunting is illegal if it involves hunting a wild mammal (such as a fox) with a dog, unless exempt (Hunting Act 2004 s1).</p> <p>Hunt point to point meetings are taxed as mutual trading organisations, as is discussed in the Inspectors' Manual at BIM24765. From 1934 to 1998, all profits from point-to-point meetings were not taxed.</p>
hurdle rate	<p>Term sometimes used to mean discount rate.</p>
Hurwicz criterion	<p>In statistics, a method for incorporating judgment into a decision under uncertainty.</p>
husband	<p>Man to whom a woman is married.</p>

husband and wife company	Company owned by a husband and wife.
husbandman	Farmer who works in tillage.
hush money	Money paid to someone to keep quiet about something. Such a payment is usually not tax-deductible.
hush shop	In the 19 th century, a private brewery that did not have to pay excise duty because the beer was brewed for the brewers' employees such as farmworkers, but who secretly provided it to others.
hustings	Meeting where candidates in a political election make speeches and answer questions from voters. The term originally referred to the booths where people voted.
Hutton, John	English Labour politician (1955-) who was Secretary of State for Work and Pensions from 2 November 2005 to 27 June 2007. He has held other government and shadow posts. In 2010, he wrote a report on public sector pensions for the coalition government.
HVA	High volume agent.
HVAC	Heating, ventilation and air conditioning.
hybrid	Mixture of two different things, such as an investment which combine two types of financial instrument.
hybrid arrangement	<p>An arrangement where only one type of benefit will ultimately be provided, but the type of benefit that will be provided is not known in advance because it will depend on certain given circumstances at the point benefits are drawn.</p> <p>For example, a hybrid arrangement may provide the member with other money purchase benefits based on a pot derived from the contributions that have accrued over time, but subject to a defined benefit minimum or underpin. If the benefits provided by the money purchase pot at the point benefits are drawn fall below a certain defined level, for example 1/60ths of final remuneration for every year worked, that higher defined benefit will be provided. So the benefits will be either other money purchase benefits, or defined benefits.</p> <p>When benefits are drawn, if the benefits actually provided are other money purchase or cash balance benefits then the arrangement will become a money purchase arrangement. And if the benefits provided are defined benefits then the arrangement will become a defined benefits arrangement.</p> <p>The term is defined in Finance Act 2004 s152(8).</p>
hybrid derivative	<p>Financial instrument instruments that comprises more than one derivative.</p> <p>Corporation Tax Act 2009 from s584 deals with hybrid derivatives with embedded derivatives.</p>
hybrid mismatch	Situation where tax laws differ between countries in a way that allows a multinational organisation to gain a tax advantage, such as by gaining tax

relief for a loss in each of two countries. Since 2011, OECD has been producing guidance on dealing with such mismatches.

hybrid rate

Rate which is calculated as a time-apportioned mixture of two or more rates. There are various examples of hybrid rates in UK tax law, such as the **official rate** for beneficial loans, or the rate for capital allowances for an accounting period that spans a change in rate.

hybrid structure

Trading arrangement using two types of business entity. A simple example is where a sole trader starts a parallel trade using a limited company until the last period of the sole trader is covered by the **overlap relief**.

hybrid tax

This was a novel hybrid levy charged in 1497 of **tenths and fifteenths** with a subsidy. It was raised to fund the Scottish campaign, and was challenged by Cornwall on the grounds that only scutage could be levied for such a purpose.

Hydref

Welsh: October.

hydrocarbon

Compound of the elements carbon and hydrogen. This includes most forms of oil used for heating and road fuel. These oils are subject to **excise duty** for hydrocarbon oils under Hydrocarbon Oil Duty Act 1979. They are also subject to VAT.

hydrocarbon oil

Liquid form of various compounds of carbon and hydrogen which are used as road fuel.

Such oil is liable to hydrocarbon oil duty. For this purpose, oil is divided into five categories:

- **light oil;**
- **heavy oil;**
- **fuel oil;**
- **gas oil;** and
- **biobutanol.**

The legal definition is "petroleum oil, coal tar and oil produced from coal, shale, peat or any other bituminous substance, and all liquid hydrocarbons, but does not include such hydrocarbons or bituminous or asphaltic substances as are:

- (a) solid or semi-solid at a temperature of 15°C, or
- (b) gaseous at a temperature of 15°C and under a pressure of 1013.25 millibars" (Hydrocarbon Oil Duties Act 1979 s1(2)).

hydrogen

Colourless gas, the lightest of all elements, denoted by the letter H.

It can be used in a **hydrogen cell** to propel a vehicle. The advantage is that its exhaust consists solely of water.

hydrogen cell

Electrochemical device which stores **hydrogen**. This is burned in oxygen, usually from the air, to provide energy and produce water.

The first hydrogen cell was invented in 1838. There are many different types, some of which can be used to propel vehicles.

hydrogen refuelling point In relation to vehicles, “means a device intended for refuelling a vehicle that is capable of being propelled by electrical power derived from hydrogen” (Automated and Electric Vehicles Act 2018 s9(1)(b)).

hygiene factor In human resources, a factor which does not improve an employee’s productivity but whose absence reduces productivity. The amount of pay is a hygiene factor.

hyperinflation

Definition

When inflation is out of control. In economics, this is defined as inflation of more than 50% a month, though accounting standards consider hyperinflation is only 100% over three years.

Accounting

Accounting for hyperinflation was regulated by FRS 24.

This broadly requires that all amounts, including comparatives, are restated using the measuring unit current at the latest balance sheet date.

This replaces UITF 9 which allowed two other methods.

Extreme example

The most extreme example of hyperinflation occurred in Hungary just after the second world war when prices doubled every 15 hours. The most famous example is probably Germany in 1923 when inflation hit 3,250,000%, and prices doubled every 49 hours. Inflation in Zimbabwe in 2008 ran into billions of percent before becoming unmeasurable.

Other examples

Other examples include Argentina 1989; Bolivia 1985; Brazil 1980-1995; Greece 1941-1944; Mexico 1982-1988; Peru 1988-1990; Venezuela 1989 and 2018; Yugoslavia 1993-1994; and Zimbabwe from 2006.

Cause

Hyperinflation is caused by a rapid increase in money without the supporting growth of goods and services it should represent, see **wealth**. This is usually the consequence of bad economic management by the relevant government.

Consequences

The consequence is that savings are wiped out and economic activity ceases, usually leading to civil unrest. Desperate governments often resort to extreme protectionist measures which usually fail. The citizens tend to switch to **barter** or using a **hard currency**.

Hyperinflation is usually ended by linking the currency to property or to a hard currency. The latter practice is known as **dollarization**.

hyperlink

Facility in a computer document or on a website to move immediately to a particular page. This is usually done by clicking on a link indicated by an **icon** or by a word printed in blue and underlined.

hypermarket	Very large supermarket.
hyperterminal	In computing, a facility whereby a computer may be connected to a remote computer using a modem or other connection means.
hypothecation	<p>Process whereby income is dedicated to a particular expenditure.</p> <p>Britain has generally avoided hypothecated taxes. An exception is climate change levy which was hypothecated to reducing national insurance. Historically vehicle excise duty was collected to pay for road improvements. Arguably, all licence fees are hypothecated taxes.</p>
hypothesis test	In statistics, an approach to test a theory.
hypothetical net income	<p>Income as it may be adjusted for a taxpayer who was not UK-resident for the whole tax year and who wishes to make an election for the transferable tax allowance between partners to a marriage or civil partnership.</p> <p>The calculation of hypothetical net income is set out in Income Tax Act 2007 s55C(3) as inserted by Finance Act 2014 s11.</p>