



# Leach's Tax Dictionary

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## I

### I

#### *National insurance*

National insurance contribution letter that indicates that the employee is under 21 and in a contracted-out occupational pension scheme. This letter is only used for the 2015/16 tax year.

#### *Vehicle excise duty*

Rate band for vehicles with emissions between 176 and 185 gm/km.

#### *Other meanings*

(1) Roman numeral for 1.

(2) For council tax, the highest band of property values.

It only applies in Wales where it was introduced from 1 April 2005. It applies to properties with a value above £400,000 on that date. Such property is subject to council tax at a rate of 2½ times the rate for an average band D property.

(3) In formulae, **interest**. (An example of such use is Income Tax Act 2007 s632(5).)

(4) For capital allowance for an assured tenancy, the number of days in the relevant period of ownership on which the dwelling-house was a qualifying dwelling-house (Capital Allowances Act 2001 s522).

### IA

(1) **Initial allowance**

(2) International Assistance.

### IAASB

International Auditing and Assurance Standards Board.

### IACS

International Association of Classification Societies.

### IAD accounts

“Accounts drawn up in accordance with the Council Directive of 19<sup>th</sup> December 1991 on the annual accounts of insurance undertakings (No 91/674/EEC)” (Income and Corporation Taxes Act 1988 Sch 19ABA para 4(2)).

### IAG

Investor Advisory Group, part of Financial Reporting Council.

<b>iaimbilanja</b>	One fifth of an ariary, currency of Madagascar.
<b>IAS</b>	<b>International accounting standard</b>
<b>IAS accounts</b>	“Accounts prepared in accordance with <b>international accounting standards</b> ” (Income and Corporation Taxes Act 1988 Sch 19ABA para 4(2)). For insurance companies, this is an alternative to <b>IAD accounts</b> .
<b>IASB</b>	International Accounting Standards Board, an independent body that sets accounting standards accepted as a basis for accounting in many countries, including all Member States of the European Union.
<b>IASB system</b>	The accounting standards and guidance issued by the <b>IASB</b> .
<b>IASC</b>	<b>International Accounting Standards Committee</b>
<b>IAS group accounts</b>	Group accounts prepared under International Accounting Standards rather than under Companies Act 2006 (Companies Act 2006 s406).
<b>IAS individual accounts</b>	Accounts of individual companies prepared in accordance with International Accounting Standards rather than the requirements of the Companies Act 2006 (Companies Act 2006 s395(1)).
<b>IAS regulation</b>	“EU Regulation 1606/2002” (FRS 102 glossary).
<b>IAS Regulations</b>	Name generally given to European Union regulations 1606/2002 regarding accounting standards. Their broad effect is that UK listed companies must use International Accounting Standards for accounting periods starting after 31 December 2004. They allow (but do not require) unlisted companies to use International Accounting Standards.
<b>IATA</b>	<b>International Air Transport Association</b>
<b>IB</b>	<b>PAYE</b> Series of rare tax codes. It is the equivalent to <b>emergency tax code</b> for an employee entitled to the <b>blind person's allowance</b> . The statutory definition is a special code “which, after allowing for the personal allowance and blind person's allowance, effect deductions of tax at the basic rate, so that during the tax year the amounts subject to deductions at that rate are in accordance with section 10 of ITA [Income Tax Act 2007]” (PAYE regulations SI 2003 No 2682 reg 7(3)(c)). The operation of the code is governed by reg 175.  <i>Other meanings</i> (1) <b>Intervention Board</b> , now referred to as the <b>Rural Payments Agency (RPA)</b> . (2) <b>Introducing broker</b> .
<b>IBAN</b>	<b>International bank account number</b> .

<b>IBAP</b>	<b>Intervention Board for Agricultural Produce</b> , now referred to as the <b>Rural Payments Agency (RPA)</b> .
<b>IBB</b>	<b>Independent Barring Board</b>
<b>IBEA</b>	<b>Intervention Board Executive Agency</b> , now referred to as the <b>Rural Payments Agency (RPA)</b> .
<b>ibid</b>	Latin: in the same place.
<b>ibidem</b>	Latin: in the same place.
<b>IBNR</b>	Insurance business not reported. “Claims that have been incurred but not reported arising out of events that have occurred by the balance sheet date but have not been reported to the insurance undertaking at that date” (FCA glossary).
<b>IBR</b>	<b>Independent Business Review.</b>
<b>IBRD</b>	<b>International Bank for Reconstruction and Development.</b>
<b>ICA</b>	(1) <b>International Co-operative Alliance.</b> (2) Individual capital assessment.
<b>ICAAP</b>	Internal capital adequacy assessment process.
<b>ICAEW</b>	<b>Institute of Chartered Accountants in England and Wales</b>
<b>ICAI</b>	(1) <b>Institute of Chartered Accountants in Ireland</b> (2) Independent Commission for Aid Impact
<b>ICANZ</b>	Institute of Chartered Accountants of New Zealand.
<b>ICAS</b>	<b>Institute of Chartered Accountants of Scotland</b>
<b>ICD</b>	(1) <b>Inland Clearance Depot.</b> (2) Investor Compensation Directive.
<b>ICE</b>	In case of emergency. This precedes a telephone number in the memory of mobile phones and similar devices should it be found in the possession of someone involved in an accident.
<b>ice</b>	For VAT, this is usually zero-rated as water under Value Added Tax Act 1994 Sch 8 Group 2. Details are given in VAT notice 701/16.
<b>iceberg home</b>	Dwelling where more than half the space is below ground.
<b>ICE Clear Europe</b>	“The clearing house for ICE’s global energy markets, as well as the provider of clearing services for the European credit default swaps (CDS) markets.”

(company website).

Provisions relating to stamp duty and SDRT are given in SI 2013 No 1382.

**ice cream**

For VAT, this is standard-rated as it is specifically excluded from the scope of zero-rated food under Value Added Tax 1994 Sch 8 Group 1 Excepted Item 1.

There are separate provisions for **marshmallow cones** and **waffle cones**.

**ice hockey player**

An ice hockey player may retire on a personal pension at the age of 35, 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).

**Iceland**

European country that is a member of EFTA and EEA, but not of the European Union. Its currency is the Iceland kronur of 100 aurar. The UK has a double taxation convention of 2013.

**ice lolly**

This is standard-rated for VAT.

It is specifically excluded from the scope of zero-rated food by Value Added Tax 1994 Sch 8 Group 1 Excepted Item 1.

**ICES**

Chartered Institution of Civil Engineering Surveyors.

**ICG**

Individual capital guidance.

**ICMA**

**International Capital Markets Association.**

**ICN**

**(1) Intrastat Combined Nomenclature**  
**(2) International consignment note**

**ICO**

Information Commissioner's Office.

**ICOB**

Insurance: New Conduct of Business sourcebook, published by the Financial Services Authority.

**icon**

In computing, a small picture symbol to indicate a program or file. This can usually be accessed by double-clicking it.



*Examples of icons*

<b>ICR</b>	(1) Intelligent character recognition, in computing. (2) Industrial Cases Reports, series of law reports from 1972. (3) Income Contingent Repayment, a description of student loans which HMRC collects from payroll deductions.
<b>ICS</b>	<b>Import control system.</b>
<b>ICSID</b>	<b>International Centre for Settlement of Investment Disputes.</b>
<b>ICT</b>	<b>Immediately chargeable transfer.</b>
<b>ICTA</b>	Income and Corporation Taxes Act 1988 (or 1970).
<b>ICVC</b>	<b>Investment company with variable capital.</b>
<b>ID</b>	Abbreviation: identity
<b>IDAS</b>	ID Authentication Service. System introduced by HMRC in November 2009 to check the identities, particularly of tax credit claimants.
<b>IDB</b>	Interdealer broker.
<b>ID card</b>	Identity card, particularly one issued under Identity Cards Act 2006 s6 (now repealed).
<b>id certum est quod certum Simil potest</b>	Latin: that is certain which can be made certain.
<b>ideal standard</b>	In management accounting, a <b>standard cost</b> set under the most efficient operating standards.
<b>idem</b>	Latin: the same
<b>idempotent</b>	Description of a quantity that does not change value when multiplied or added to by itself.
<b>identical clauses</b>	Test to see if a witness has been " <b>verballed</b> " or if his or her evidence is freely and honestly given. In relation to the testimony of Patrick Molloy who was wrongly convicted of murdering Carl Bridgewater in 1978, the following is taken from the memoirs of his lawyer: "There was an abnormally high coincidence between clauses used in the oral interview and identical clauses appearing in a written statement. There were 68 relevant clauses in Exhibit 54, and 23 were identical to clauses in the record of the oral interview. In experimental conditions, the ratio was never more than 2.7%, nowhere near the 33% in this case ( <i>Memoirs of A Radical Lawyer by Michael Mansfield QC, pp 210-211, published by Bloomsbury Publishing Ltd</i> ).

**identifiable assets and liabilities**

"The assets and liabilities of the acquired entity that are capable of being disposed of or settled separately, without disposing of a business of the entity" (FRS 7 para 2; FRS 10 para 2).

**identifiable asset test**

Test in determining whether expenditure is capital or revenue. It requires a first step of identifying the asset acquired by the expenditure. This test is established in such cases as *Tucker v Granada Motorway Services Ltd [1979] 53TC92* and is discussed in the Inspectors' Manual at BIM35320.

**identifiable living individual**

For the purposes of data protection, "means a living individual who can be identified, directly or indirectly, in particular by reference to —  
(a) an identifier such as a name, an identification number, location data or an online identifier, or  
(b) one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of the individual"  
(Data Protection Act 2018 s3(3)).

**identifiable part**

Part of expenditure that can clearly be related to a business activity.  
In general, such a part may be deducted from taxable profits. This is discussed in the Inspectors' Manual at BIM42130.

**identification number**

Code which gives a customer access to a bank account on the Internet.

**identification of securities**

Procedure in capital gains tax to identify the **acquisition cost** when a taxpayer sells some of a holding in a particular security. The identification rules are given in Taxation of Capital Gains Act 1992 ss104-109.

**identification of the financial statements**

Requirement that "an entity shall clearly identify each of the financial statements and the notes and distinguish them from other information in the same document" (FRS 102 section 3.23).  
FRS 102 provides further details in subsequent paragraphs.

**identity card**

Government issued document that proves the identity of its holder. Some cards were issued under Identity Cards Act 2006, and the whole population were to be issued with them. This provision has been repealed by the Identity Documents Act 2010, now repealed s1(1). Cards already issued are cancelled by s2.

**identity check**

Check made on the identity of a person by requiring them to produce an **ID card**, other identification or both (Identity Cards Act 2006 s13(1)). This law has been repealed.

**identity document**

Document which indicates the identity of a person. For limited purposes, these are defined as:  
"(a) an **immigration document**,  
(b) a United Kingdom passport (within the meaning of the Immigration Act 1971),  
(c) a passport issued by or on behalf of the authorities of a country or

territory outside the United Kingdom or by or on behalf of an international organisation,  
(d) a document that can be used (in some or all circumstances) instead of a passport,  
(e) a licence to drive a motor vehicle granted under Part 3 of the Road Traffic [Act] 1988 or under Part 2 of the Road Traffic (Northern Ireland) Order 1981, or  
(f) a driving licence issued by or on behalf of the authorities of a country or territory outside the United Kingdom”  
(Identity Documents Act 2010, now repealed s7(1)).

<b>identity element</b>	In mathematics, an element (indicated as <i>e</i> ) in a system of elements such that $e*x = x*e = x$ , for every value of <i>x</i> where * denotes a binary operation.
<b>identity theft</b>	Fraud where a person assumes the identity of someone else.
<b>id est</b>	Latin: that is. The expression is usually abbreviated to <b>ie</b> .
<b>IDG</b>	Prefix for HMRC's tax manual on information disclosure.
<b>idiosyncrasy</b>	Peculiarity of temperament or mental condition of a person.
<b>idiot</b>	In law, a person who is never capable of rational action, as against a <b>lunatic</b> who has lucid periods. The term is now considered pejorative.
<b>idiot savant</b>	Person who generally lacks mental capacity but is capable of remarkable talent in some restricted area, such as mental calculation.
<b>IDK</b>	Internal derangement of the knee. Common abbreviation for sick notes (HMRC leaflet E14).
<b>idle capital</b>	Money that is not being used effectively.
<b>idle time</b>	Time for which an employee is paid though not able to work, usually for factors beyond their control such as a machine breakdown.
<b>IDR</b>	<b>ISO code</b> for Indonesian rupiah.
<b>IE</b>	(1) <b>Country prefix code</b> for Republic of Ireland. (2) <b>Independent examination</b> .
<b>ie</b>	<b>Id est</b> , Latin: that is.
<b>IEIM</b>	Prefix for HMRC's tax manual on international exchange of information.
<b>IESBA</b>	<b>International Ethics Standards Board for Accountants</b> .
<b>IET</b>	International Emissions Trading, a term used in Kyoto Protocol Article 17.

<b>IFA</b>	(1) <b>Intangible fixed asset.</b> (2) Independent Financial Adviser. (3) <b>Institute of Financial Accountants</b>
<b>IfA</b>	<b>Institute for Apprenticeships</b> (Apprenticeships, Skills, Children and Learning Act 2009 sZA1(2) as inserted by Enterprise Act 2016 Sch 4 para 2).
<b>IFAW</b>	International Fund for Animal Welfare.
<b>IFC</b>	International Finance Corporation.
<b>IFIAR</b>	International Forum of Independent Audit Regulators.
<b>IFO</b>	German index of short-term economic conditions.
<b>IFP</b>	<b>Institute of Financial Planning.</b>
<b>IFPRU 730 firm</b>	Banking firm as defined in the FCA Handbook. It is referred to in Corporation Tax Act 2009 s133F(5).
<b>IFRIC</b>	International Financial Reporting Interpretations Committee. This is used as a prefix for interpretations of international accounting standards. For example, IFRIC 1 deals with “changes in existing decommissioning, restoration and similar liabilities”. Before May 2004, such interpretations were prefixed SIC.
<b>IFRS</b>	International Financial Reporting Standard, issued by the <b>IASB</b> . “Standards and interpretations issued (or adopted) by the International Accounting Standards Board (IASB). They comprise: <ul style="list-style-type: none"><li>• International Financial Reporting Standards</li><li>• International Accounting Standards; and</li><li>• Interpretations developed by the IFRS Interpretations Committee (IFRIC) or the former Standards Interpretations Committee (SIC)” (FRS 102 glossary).</li></ul>
<b>IFT</b>	Insurance Fraud Taskforce.
<b>IG</b>	Implementation guidance. This abbreviation is used by the International Accounting Standards Board as a prefix for paragraphs on explanatory material on how to use International Accounting Standards and International Financial Reporting Standards.
<b>IGA</b>	Inter-governmental agreement. This includes tax treaties and tax information sharing treaties.
<b>ignis fatuus</b>	Latin: foolish fire. The term usually refers to a delusive ideal that leads a person astray.
<b>ignorance test</b>	For tax avoidance schemes, one of three tests a <b>scheme designer</b> must pass not to be regarded as a promoter. “The ignorance test applies when a person could not reasonably be



expected to have either:

- sufficient information to enable them to know whether or not the arrangements are disclosable schemes
- sufficient information so as to enable that person to comply.

“ This test might apply where, for example, a person has insufficient knowledge of the overall arrangements to know whether the ‘benign’ or ‘non-adviser’ tests are failed; or has only a partial understanding of the scheme so that they would be unable to comply with the disclosure requirements.” (HMRC leaflet DOTAS, January 2016).

**ignorantia eorum quae quis scire tenetur non excusat**

Latin: ignorance of those things which everyone is bound to know does not constitute an excuse.

**ignorantia facti excusat; ignorantia juris non excusat**

Latin: ignorance of the fact excuses; ignorance of the law does not excuse.

**ignorantia juris quod quis que scire tenetur non excusat**

Latin: ignorance of the law which everybody is supposed to know does not afford excuse.

**ignorantio elenchi**

Ignoring the point in question, the fallacy of arguing the wrong point.

**IH**

**Inner House**, of Court of Sessions in Scotland.

**I have neither cross nor pile**

Old expression meaning that I have no money. **Cross and pile** denotes coins.

**IHD**

Ischaemic heart disease. Common abbreviation for sick notes (HMRC leaflet E14).

**IHT**

**Inheritance tax**.

**IHT 100**

Standard return form for inheritance tax.

**IHT 205**

Return of estate information for an excepted estate.

**IHT 400**

Form for statement of account for inheritance tax.

**IHT 401**

Supplementary page for form **IHT 400**.

**IHTA**

Inheritance Tax Act 1984.

**IHTM**

Inheritance Tax Manual.

**IIA**

**Chartered Institute of Internal Auditors**.

**IIB**

**Industrial injuries benefit**.

<b>IICSA</b>	Independent Inquiry into Child Sexual Abuse. This was set up in July 2014 to look at historic cases.
<b>IIEDS</b>	<b>Individual Investor Express Delivery Service.</b>
<b>IIF</b>	<b>Institute of International Finance.</b>
<b>IIP</b>	<b>Interest in possession.</b>
<b>IIS</b>	<b>(1) Inward investment support. (2) Investment income surcharge.</b>
<b>ijar</b>	Form of leasing that is acceptable under <b>Islamic financing.</b>
<b>ILA</b>	<b>Individual learning account.</b>
<b>ILEX</b>	<b>Institute of Legal Executives.</b> It is now the Chartered Institute of Legal Executives (CILEX).
<b>il a inventé l'histoire</b>	French: he has invented history.
<b>ILG</b>	<b>Index-linked gilt.</b>
<b>illation</b>	Acting of inferring from premises.
<b>illegal trade</b>	Trade which contravenes the law, such as prostitution, drug dealing and illegal sales of firearms and alcohol. Such activities are subject to income tax, corporation tax and VAT under the normal tax rules for legal trade. Other illegal activities, such as burglary and protection rackets, are not taxable as trade.
<b>illegitimate</b>	Not legitimate, particularly in the context of a child born to unmarried parents, including parents who were divorced. An illegitimate child was called a <b>bastard</b> , but this meaning has now generally been abandoned as pejorative. Historically, illegitimate children were often denied many rights. These have been gradually withdrawn. Today the only restriction is that an illegitimate child cannot inherit a title. For tax purposes, an illegitimate child is now treated the same as a legitimate child. The right to inherit was established by Family Law Reform Act 1969.
<b>ill health</b>	The tax consequences of ill health are: <ul style="list-style-type: none"><li>• an employee may be entitled to statutory sick pay and sick leave;</li><li>• a person may receive their pension before the age of 55;</li><li>• the amount of pension may be increased</li><li>• the person may benefit from provisions relating to <b>disability.</b></li></ul>
<b>ill health condition</b>	In relation to tax relief for <b>pensions advice</b> , "the ill health condition is met by an employee if the employer is satisfied, on the basis of evidence provided by a registered general medical practitioner, that the employee is (and will

continue to be) incapable of carrying on his or her occupation because of physical or mental impairment" (Income Tax (Earnings and Pensions) Act 2003 s308C(10) inserted by Finance (No 2) Act 2017 s3).

**ill health pension**

Pension provided by an occupational pension scheme under its rules before retirement to a member who becomes too ill to continue working.

**illicit**

Not permitted. The term is usually distinguished from **illegal** in that it refers to an act which is not against the law as such but which is done in a way which is not permitted, such as selling alcoholic drink without a licence. The illegality derives from the lack of licence not from selling alcohol.

**illiquid**

Not easily converted to cash.

**illiquidity**

Inability or difficulty to convert an asset to cash.

The term is particularly used for current assets. Traditionally these are listed in the balance sheet with the most liquid at the top, the order runs:

- cash;
- prepayments;
- debtors;
- stock.

**illusory correlation**

When a person makes an illogical link between a type of person and a characteristic to create a **stereotype**. An example is where someone speaks to two accountants who are both rude, and from that deduces that all accountants are rude.

**illustration**

An estimation of the returns you might get from an investment, based on standard growth rates and taking charges into account. The actual returns you get may be higher or lower than this.

**ILS**

**ISO code** for Israeli shekel.

**IMA**

**(1) Initial maintenance assessment**  
(2) Investment Management Association.

**image copy**

Copy of a document as originally completed, as against a computer-generated analysis of a document's contents.

Photocopies, photographs, digital images (such as JPEG and TIFF) and microfiches are all image copies.

**I'm Backing Britain**

A surprising response to higher taxes and worsening economic situation in December 1967.

Five secretaries at Colt Ventilation and Heating Ltd, Surbiton volunteered to work an extra half hour a day without extra pay to boost national productivity, and urged others to do so. The campaign gained brief popular, commercial, press and political support, while opposed by trade unions. The poet laureate penned a verse. Bruce Forsyth recorded a song *I'm Backing Britain*. A special postmark was introduced, advertising agencies took out whole page adverts, and 100,000 badges were distributed.

After less than two months, the razzmatazz died down. The secretaries went back to normal hours. There had been no discernible effect on the national productivity, but it had been fun.

<b>imburse</b>	Old term meaning to pay or, literally, to put in a purse. The expression lives in the word "reimbursement".
<b>IMD</b>	Insurance Mediation.
<b>IME</b>	Internationally mobile employee.
<b>IMEXPG</b>	Prefix for HMRC's tax manual on import and export pipelines.
<b>IMF</b>	<b>International Monetary Fund</b>
<b>I minus E basis</b>	<p>In relation to taxation of insurance companies, "means the basis under which a company carrying on life insurance business is charged to tax on the relevant profits (within the meaning of section 88(3) of the Finance Act 1989) of that business under Case I of Schedule D" (Income and Corporation Taxes Act 1988 s431(2)).</p> <p>[The term defined is actually <b>the I minus E basis</b>.]</p> <p>For corporation tax, the provisions are Corporation Tax Act 2009 from s1080.</p>
<b>imitation firearm</b>	"Means any thing which has the appearance of being a firearm..." with a few exceptions (Firearms Act 1968 s57).
<b>immaterial</b>	Not material. This refers to a figure which is so small that it does not affect the picture painted by the accounts.
<b>immediate annuity</b>	An annuity under which payments commence straight away, in contrast to a deferred annuity, under which the payments do not commence until later (possibly many years later).
<b>immediate care fees annuity plan</b>	Annuity taken out when a person needs care. It is funded by a single premium, often built up in a fund established for that purpose but not restricted to that purpose, so the policy holder may use the proceeds for other purposes (or leave them as part of their estate) if care is not needed.
<b>immediately chargeable transfer (ICT)</b>	<p>From 22 March 2006, a transfer made to the trustees of a <b>relevant property trust</b> or to a company. If sufficiently large, inheritance tax may be payable at the lifetime rate when transferred. If the settlor dies within seven years, additional inheritance tax may be payable.</p> <p>Before 22 March 2006, an ICT could arise on a transfer to a company or discretionary trust.</p>

- immediate or cancel** Type of future or options order that allows the market only one opportunity to take the other side of the trade. Any unfilled balance is cancelled.
- immediate payment arrangements**  
Accounting arrangement between two entities whereby a sponsoring entity makes payment to an intermediary. The commonest form is a trust for paying employees.  
The accounting details are set out in FRS 102 from section 9.33.
- immediate post-death interest (IPDI)**  
Form of trust that is advantaged for inheritance tax. It arises when a person has an **interest in possession in settled property** and:  
  - the settlement is effected by a will or intestacy, and
  - the beneficiary became beneficially entitled to the interest in possession on the death of the deceased.The law is Inheritance Tax Act 1984 s49A.
- immediate post-RTD period** Term used in Income and Corporation Taxes Act 1988 s444AA(8) in relation to taxation on transfers of annuity business. RTD stands for relevant transfer date.
- immigrant**  
Person who comes to the UK from another state. Under current law, citizens of other states in the European Union may come freely to the UK. Other citizens need permission.  
There are many restrictions imposed on immigrants who are not legally in the UK, particularly set out in Immigration Act 2014.
- Immigration Acts**  
These are:  
  - “(a) the Immigration Act 1971 (c. 77),
  - (b) the Immigration Act 1988 (c. 14),
  - (c) the Asylum and Immigration Appeals Act 1993 (c. 23),
  - (d) the Asylum and Immigration Act 1996 (c. 49),
  - (e) the Immigration and Asylum Act 1999,
  - (f) the Nationality, Immigration and Asylum Act 2002 (c. 41), and
  - (g) this Act [Asylum and Immigration (Treatment of Claimants etc) Act](Asylum and Immigration (Treatment of Claimants etc) Act 2004 s44).
- Immigration and Nationality Directorate**  
Part of the Home Office which dealt with immigration. From 1 April 2007, it was renamed the Border and Immigration Agency (BIA).
- immigration bail**  
When an unlawful immigrant is released from custody on the deposit of a recognizance or bail bond (Asylum and Immigration (Treatment of Claimants etc) Act s36(d)).
- immigration document** “Means —  
  - (a) a document used for confirming the right of a person under the EU Treaties in respect of entry or residence in the United Kingdom,
  - (b) a document that is given in exercise of immigration functions and records information about leave granted to a person to enter or remain in the

	United Kingdom, or (c) a registration card (within the meaning of section 26A of the Immigration Act 1971)". (Identity Documents Act 2010, now repealed s7(2). Such a document counts as an <b>identity document</b> .
<b>immigration health charge</b>	Charge that may be made to an immigrant for using the health service under Immigration Act 2014 s38(1). The charge was doubled from £200 to £400 in 2018. The reduced rate for students and members of Youth Mobility Scheme doubled from £150 to £300.
<b>immigration officer</b>	Person appointed to oversee immigration law (Asylum and Immigration (Treatment of Claimants etc) Act 2004 s45).
<b>immigration permission</b>	Leave to enter or remain in the UK, as set out in Immigration Act 2014 s38(2).
<b>immitigable</b>	Incapable of being mitigated.
<b>immorality</b>	For contract law, immorality means sexual immorality. This can void a contract.
<b>immovable</b>	Description of something which cannot be moved. In finance, this usually refers to buildings and structures attached to the ground.
<b>immovable property</b>	Buildings and structures attached to the ground.
<b>immunisation</b>	Term sometimes used in finance to mean a process which protects a person or organisation from a risk, such as by <b>insurance</b> or <b>hedging</b> .
<b>immunity notice</b>	Notice given by the Director of Service Prosecutions to a person giving them 14immunity14 from prosecution under Armed Forces Act 2006 s304A as inserted by Armed Forces Act 2016 s7.
<b>IMO</b>	International Maritime Organisation – a United Nations (UN) agency responsible for promoting safety and technical co-operation in the shipping industry.
<b>IMP</b>	<b>ISO code</b> for Isle of Man pound.
<b>IMPAC</b>	International Merchants Purchase Authorisation Card.
<b>impact</b>	Consequence of an action, particularly when it is a shock or a strong effect. Literally, the word means the consequence of being hit.
<b>impact day</b>	Day on which a flotation of a company is announced and the prospectus is advertised.
<b>impaired life</b>	State whereby a person is not expected to live as long as would normally be expected for their sex and age. This is usually because of a medical condition,

such as suffering from cancer.

A person suffering from impaired life may be able to receive a higher than normal **pension** or **annuity**. Such a person is also likely to be charged more for life insurance.

**impairment**

A reduction in the carrying value of an **asset**, beyond the expected **depreciation**, which must be reflected by reducing the amount recorded in the **balance sheet**.

“A reduction in the recoverable amount of a fixed asset or goodwill below its carrying value” (FRS 10 para 2).

**impairment loss**

“Means a debit in respect of the impairment of a financial asset” (Corporation Tax Act 2009 s476(1)).

“The amount by which the carrying amount of an asset exceeds:

(a) in the case of inventories, its selling price less costs to complete and sell; or

(b) in the cases of other assets, its recoverable amount” (FRS 102 glossary).

**impairment review**

Testing assets for evidence of any **impairment**.

**impairment test**

Test that the business can expect to recover the carrying value of the intangible asset, through either using it or selling.

**impartial**

Favouring neither side in a disagreement.

**impartiality**

“Impartiality is acting solely according to the merits of the case and serving 15equally well governments of different persuasions” (Civil Service values).

**impawn**

Old term meaning to pawn or pledge.

**impeachment**

“Impeachment is when a peer or commoner is accused of ‘high crimes and misdemeanours, beyond the reach of the law or which no other authority in the state will prosecute.’ It is a procedure that is ‘directed in particular against Ministers of the Crown’. The first recorded impeachment was in 1376 and the last in 1806. This procedure is considered obsolete.” (Parliament website).

The procedure is still in use in the USA where it has been used against many judges and public officials. Presidents Nixon and Clinton were both (unsuccessfully) impeached.

**impecunious**

Lacking money.

**imperial**

Russian gold coin of 18<sup>th</sup> century worth ten roubles.

**imperial cap**

Size of paper measuring 22 x 29 inches.

**imperial dues**

Tax imposed by an empire to fund the imperial power. Jesus was born when Joseph and Mary went to pay such a tax to the Roman empire.

**Imperial Loan Co v Stone**

Court case of 1892 which established that a contract can only be set aside on the grounds of insanity if it can be proved that the party was both insane and

that the other party knew this at the time.

**imperial system**

Old system of historic measurements, such as inch, acre, gallon and ounce. These were largely established by Weights and Measures Act 1824, subsequently amended, most recently in 1959.

From 1990, imperial measures (other than for time) have been replaced for most legal purposes by **metric units**. From 1995, most products must be supplied using metric units, though comparative imperial measures may still be quoted.

These units were widely used throughout the old British Empire, many countries of which have not adopted metric units. The USA uses imperial units, though some (particularly the gallon and ton) are different from the UK measure.

**imperitia culpa adnumeratur**

Latin: inexperience is accounted a fault

**impersonal account**

Account which records transactions not involving other parties, as against a **personal account**.

Impersonal accounts may be further categorised between **real accounts** which deal with property, and **nominal accounts** which do not. These distinctions are now little used.

**impersonation of officers**

A criminal offence.

For social security, the offence is set out in Social Security Administration Act 1992 s181.

Impersonation of a Commissioner or officer of HMRC is an offence under Commissioners for Revenue and Customs Act 2005 s30.

**implied power to amend**

“Where an Act confers power to make —

(a) rules, regulations or byelaws; or

(b) Orders in Council, orders or other subordinate legislation to be made by Statutory Instrument,

it implies, unless the contrary intention appears, a power exercisable in the same manner and subject to the same conditions or limitations, to revoke, amend or re-enact any instrument made under the power” (Interpretation Act 1978 s14).

**implied terms**

Terms which may be implied in a contract, as against **express terms**. For a contract of employment, the implied terms for the employer are not to destroy the relationship of trust and confidence, and not to act capriciously. (This latter condition can be used when an employee is arbitrarily excluded from a general pay rise). For the employee, the implied terms are fidelity, obedience, and diligence and care.

**implied volatility**

Volatility of an underlying financial instrument as reflected in the option's market price.

**impone**

Old term meaning to impose, as in a wager.



<b>import</b>	<p>Bringing goods in from outside the country.</p> <p>Since the <b>Single Market</b>, this term applies only to goods from outside the <b>European Union</b>. Goods brought in from another EU state are properly called an <b>acquisition</b>.</p>
<b>importation</b>	<p>Action of importing goods.</p>
<b>importation of goods</b>	<p>The entry of goods from a place (or places) outside the European Union territory.</p>
<b>import ban</b>	<p>Government order prohibiting items from being imported.</p>
<b>Import Control System (ICS)</b>	<p>Computerised system used by HMRC in relation to imported goods.</p>
<b>import duties</b>	<p>Customs duties imposed on goods imported from (now) outside the European Union.</p> <p>The abandonment of Free Trade agreements led to a significant increase in the scope of import duties. Political problems had obstructed this imposition since first mooted in 1915.</p> <p>The present system of import duties largely dates from 1932. Many were reduced in 1947.</p> <p>Duties on EFTA goods were abolished in 1966, with some exceptions for agricultural and fish products. Under European law, import duties may not be charged on goods from another member state.</p>
<b>import duty</b>	<p>General term for <b>Customs duties</b> and similar charges such as Common Agricultural Policy Charges, and <b>Anti-Dumping Duty</b>.</p> <p>“A duty of customs (to be known as “import duty” is charged in accordance with provision made by or under this Part by reference to the importation of chargeable goods into the United Kingdom” (Taxation (Cross-border Trade) Act 2018 s1).</p>
<b>imported goods</b>	<p>Goods imported from outside the European Union (EU) and not in free circulation.</p>
<b>imported services</b>	<p>Services received from outside the UK.</p>
<b>imported tobacco products</b>	<p>Tobacco products which originate outside the UK and enter the UK from either another European Union Member State or a third country.</p>
<b>importer</b>	<p>Person who is responsible for bringing goods into the UK.</p> <p>The importer must be identified for Customs purposes, but most of the duties rest with the <b>declarant</b>.</p> <p>A statutory definition is “in relation to any goods at any time between their importation and the time when they are delivered out of charge, includes any owner or other person for the time being possessed of or beneficially interested in the goods and, in relation to goods imported by means of a pipe-line, includes the owner of the pipe-line” (Customs and Excise Management Act 1979 s1(1)).</p>

<b>import-export</b>	Business which moves goods between the UK and other countries.
<b>import levy</b>	Tax on imports from outside the EU into the EU.
<b>import preference</b>	Arrangement between the EU and a non-EU state allowing products from the latter state to be imported into the EU at a lower or nil rate of Customs duty.
<b>Import Preference Scheme</b>	Scheme that operates <b>import preference</b> . There are two types: autonomous and reciprocal.
<b>import quota</b>	Fixed amount of foreign goods which a country is prepared to allow to be imported.
<b>import restrictions</b>	Action taken by a government to reduce imports. These include bans, duties charged, quotas and similar.
<b>import surcharge</b>	Extra import duty added to imported goods in an attempt to discourage their import and to encourage local production.
<b>import value</b>	Value of goods for the purposes of determining the amount of Customs duty payable. The value is the CIF value, that is including carriage, insurance and freight. To this is added certain other costs of purchase, such as commission, royalties and licence fees. This is known as the <b>transaction value</b> . If this method is not possible, such as when the goods are imported on loan, the value is determined by a hierarchy of methods, as set out in Customs notice 252.
<b>import VAT</b>	The VAT chargeable on imported goods. For the purposes of VAT, the value of imported goods includes any other taxes or duties charged at import.
<b>import VAT Certificate</b>	Official evidence of VAT paid on imported goods before recovering the VAT as input tax. The normal evidence is the monthly certificate, known as Form C79.
<b>impose</b>	Issue an order which adds a charge or creates a new requirement.
<b>imposed penalty</b>	Penalty, particularly for a tax offence, which is imposed after consideration of the circumstances, unlike an <b>automatic penalty</b> .
<b>impossibility</b>	In law, impossibility usually defeats any legal transaction. An impossible contract is usually void, though there may be misrepresentation if one of the parties knew it was impossible. In terms of regulation, the impossibility of compliance may be a defence under the <b>Wednesbury</b> rule.
<b>impost</b>	Old term for a tax on imports, among other meanings.
<b>imposta sul valore Aggiunto (IVA)</b>	Italian: value added tax.

<b>imposto</b>	Portuguese: tax
<b>imposto sobre o Valor Acrescentado (IVA)</b>	Portuguese: value added tax
<b>impotent poor</b>	Classification of poor people used from the 16 <sup>th</sup> to 19 <sup>th</sup> centuries. They were people whose poverty was due to age or sickness and who deserved public support, against the undeserving poor of vagrants.
<b>impound</b>	Take something and keep it until a tax or other charge is paid.
<b>impoverish</b>	Make poor.
<b>impracticable</b>	For accounting standards, "applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so" (FRS 102 glossary).
<b>impractical to apportion</b>	Term used in relation to <b>PAYE settlement agreements</b> . Further guidance is given in statement of practice SP 5/96.
<b>impressed stamp</b>	Indication by impression on paper that stamp duty has been paid.
<b>imprest</b>	Money advanced as a loan.
<b>imprest account</b>	<p>An arrangement where a subsidiary fund is operated for administrative convenience, and this fund is topped up to a set figure.</p> <p>In local authority funding, this means small bank accounts set up by departments, where using a central fund is impractical.</p> <p>For petty cash, this is a system where the vouchers are periodically removed and replaced by cash to the same value. This means that the value of cash plus vouchers should always equal the same figure.</p>
<b>imprest system</b>	System where an account, such as petty cash, is topped up with the value of vouchers so that the total of cash plus vouchers is always the same figure.
<b>imprimatur</b>	Licence or permission to promote a book, or permission that a person may read it.
<b>imprisonment</b>	Punishment of locking someone in prison.
<b>improperly obtained</b>	<p>In relation to an identity document means that:</p> <p>"(a) false information was provided in, or in connection with, the application for its issue to the person who issued it, or</p> <p>(b) false information was provided in, or in connection with, an application for its modification to a person entitled to modify it"</p> <p>(Identity Documents Act 2010, now repealed).</p>
<b>improper performance</b>	<p>For bribery, "a relevant function or activity —</p> <p>(a) is performed improperly if it is performed in breach of a relevant expectation, and</p>

(b) is to be treated as being performed improperly if there is a failure to perform the function or activity and that failure is itself a breach of a relevant expectation" (Bribery Act 2010 s4(1)).

Section 4(2) defines relevant expectation.

<b>improper purpose</b>	In relation to multiple PAYE schemes, this term is explained in PAYE regulations SI 2003 No 2682 reg 99(2).
<b>improper purpose notice</b>	In relation to multiple PAYE schemes, a notice served by HMRC under the provisions of PAYE regulations SI 2003 No 2682 s99(1).
<b>improprie</b>	Appropriate property to someone's private use. In ecclesiastical use, it means a lay person taking ecclesiastical property.
<b>improved offer</b>	Second or subsequent offer which is close to what the other party wants.
<b>improvement</b>	A change in, or addition to, a <b>non-current (fixed) asset</b> that extends its useful life or increases the expected future benefit. Contrast with repair which restores the existing useful life or existing expected future benefit. An improvement in an asset is almost always regarded as capital expenditure and not revenue expenditure.
<b>improvement area</b>	Area so designated by a local authority to improve housing conditions. Such a designation was made by Housing Act 1930 s7.
<b>improvement note</b>	Notice that an employer may serve on an employee after a disciplinary hearing. The note states what improvements the employee must make. Details are given in ACAS guidance on discipline and grievances.
<b>improvement notice</b>	<b>Housing</b> For housing, notice served under Housing Act 2004 s11, requiring a hazard to be remedied.  <b>Pensions</b> Notice served by <b>Pensions Regulator</b> on a pension fund under Pensions Act 2004 s13 requiring the recipient to take appropriate steps to address a contravention of regulations.
<b>improvisation</b>	Improvisation does not in itself exclude a <b>dramatic production</b> from the scope of theatrical productions tax relief (Corporation Tax Act 2009 s1217FA(2)).
<b>IMPS</b>	Prefix for HMRC's tax manual on imports.
<b>impuesto sobre el Valor Anadidio (IVA)</b>	Spanish: value added tax.
<b>imputation</b>	Process of charging by assigning rights to property. Advanced corporation tax was a form of taxation by imputation.
<b>imputed costs</b>	In management accounting, an estimate of the cost of taking an alternative action as a means of decision making. For example, premises could be leased

as an alternative to being used.

<b>imputed rate of interest</b>	“The more clearly determinable of either: (a) the prevailing rate for a similar instrument of an issuer with a similar credit rating; or (b) a rate of interest that discounts the normal amount of the instrument to the current cash sales price of the goods or services” (FRS 102 glossary).
<b>imputation system</b>	System of taxation where the company pays <b>advance corporation tax</b> when it pays a dividend, and the taxpayer is regarded as having received the gross dividend on which the tax has been paid. The system operated from 6 April 1973 to 5 April 1999.
<b>IMRO</b>	The Investment Management Regulatory Organisation which regulates the management of unit trusts.
<b>IMS</b>	Industrial Methylated Spirits.
<b>IN</b>	Prefixes to introductory paragraphs of an International Financial Reporting Standard.
<b>in</b>	Abbreviation: inch.
<b>in absentia</b>	Latin: in absence. The term is used when a decision is made affecting a person who is not present.
<b>in abstracto</b>	Latin: in the abstract.
<b>inaccurate</b>	In relation to data processing, “means incorrect or misleading as to any matter of fact” (Data Protection Act 2018 s205(1)).
<b>inaccuracy</b>	An inaccuracy may give rise to a penalty if it is a <b>relevant inaccuracy</b> as defined in Finance Act 2007 Sch 24 para 1A(1).
<b>INACE</b>	Prefix for HMRC’s manual: introduction to administrative cooperation in excise.
<b>inadequacy</b>	Amount or benefit in a contract which is disproportionately low for the consideration received. Under English law, a contract is valid regardless of the inadequacy of the <b>consideration</b> .
<b>in aequali jure melior est 21conditio possidentis</b>	Latin: where the rights of the parties are equal, the claim of the actual possessor is stronger.
<b>inalienability</b>	State when assignment is impossible. An example is child trust funds (Child Trust Funds Act 2004 s4).

<b>inalienable</b>	Not capable of being moved or assigned.
<b>inalienable rights</b>	Political term for those rights of an individual which cannot ever be legitimately removed.
<b>in ambiguis orationibus maxime sententia spectanda est ejus qui eas protulisset</b>	Latin: in dealing with ambiguous words the intention of him who used them should be especially regarded.
<b>inappellable</b>	Not able to be appealed.
<b>in articulo mortis</b>	Latin: at the point of death.
<b>inaurate</b>	Gilded or having a golden lustre.
<b>in autre droit</b>	Latin: in right of another, such as when an executor holds property for a beneficiary.
<b>in banc</b>	In court.
<b>in banco regis</b>	Latin: in the King's Bench.
<b>in bianco</b>	Italian: in white. The term refers to something that is blank.
<b>in bonis</b>	Latin: in the goods of.
<b>in camera</b>	Latin: in private, such as a court hearing to which the public is not admitted.
<b>incapacitated person</b>	For tax management, "any infant, person of unsound mind, lunatic, idiot or insane person" (Taxes Management Act 1970 s118(1)).
<b>incapacity benefit</b>	Means-tested social security benefit payable to people unable to work because of illness or injury. It is replaced by employment support allowance from October 2008. The payment is subject to income tax (Income Tax (Earnings And Pensions) Act 2003 s660(1)). The PAYE provisions are given in PAYE regulations SI 2003 No 2682 from reg 173.
<b>in capite</b>	Latin: in chief. The term usually refers to items held for the Crown.
<b>in casu extemae 22necessitatis omnia sunt communia</b>	Latin: in cases of extreme necessity, everything is common.
<b>incentive</b>	Payment to encourage someone to do something. In employment, an incentive from an employer to employee is remuneration and is taxed as either pay or benefit in kind. In tax, HMRC occasionally offers incentives to encourage compliance. Those who operated PAYE electronically before they were compelled to, could claim an incentive payment. Other incentives include allowing a little longer to

pay tax if payment is made electronically.

**incentive bonus**

Addition to an employee's pay as a means of encouraging continued or improved work.

**incentive payment**

**General**

Payment made to someone to do something or not do something as desired by the payer.

The payment must be made to persuade a person to act lawfully. If the payment is to do something unlawful, it is a **bribe**.

**Pensions**

"Incentive payments are payable to members of:

- occupational pension schemes which became contracted out for the first time between 1 January 1986 and 5 April 1993. Scheme members received a 2% incentive as part of their minimum contributions for tax years 1988/89 to 1992/93 inclusive
- appropriate personal pension schemes. Scheme members received a 2% incentive as part of their minimum contributions for tax years 1987/88 to 1992/93 inclusive" (CA 84 Stakeholders Pension Scheme Manual, published by HMRC).

**PAYE**

"Means an incentive payment received under the Income Tax (Incentive Payments for Voluntary Electronic Communication of PAYE Returns) Regulations 2003" (PAYE regulations SI 2003 No 2682 reg 206(5)).

**incentive scheme**

Plan designed to encourage better work by a system of payments, particularly when offered to employees.

**incentive to use electronic communications**

Provisions contained in Finance Act 2008 Sch 38 to encourage online filing. These provisions are now largely otiose as online filing is now generally compulsory.

Such financial incentives are explicitly excluded from corporation tax under Corporation Tax Act 2009 s1287.

**inception**

Term used in SSAP 21 (now replaced) for the start of a **lease**.

For capital allowances, "in relation to a plant or machinery lease, means the earliest date on which the following conditions are met —

- (a) there is a contract in writing for the lease between the lessor and lessee,
- (b) either
  - (i) the contract is unconditional, or
  - (ii) it is conditional, the conditions have been met,
- (c) no terms remain to be agreed

(Capital Allowances Act 2001 s70YI(1)).

- inception of the lease** “The earlier of the date of the lease agreement and the date of the commitment by the parties to the principal provisions of the lease” (FRS 102 glossary).
- inch (in)** **Imperial unit** of length dating back from at least the 7<sup>th</sup> century. In 1066, an inch was the width of three barleycorns. In 1150, a law defined it as the width of a man’s thumb at the base of the nail.  
There are some slight differences between the UK imperial inch and that used by American surveyors.  
There are 12 inches in a foot, and 36 inches in a yard. An inch is approximately 25.4 millimetres. There are 39.4 inches in a metre.
- inchoate instrument** A partially completed but signed **bill of exchange** provided for someone else to complete. A **blank cheque** is an example of an inchoate instrument.  
Such a cheque or bill of exchange is valid provided it is completed within a reasonable time and in accordance with the authority given (Bills of Exchange Act 1882 s20).
- INCHP** Prefix for HMRC’s tax manual on import and national clearance hub procedures.
- incidence of tax** Indication of where the burden of a tax charge lies. While VAT is paid to HMRC by the trader, the incidence of the tax is usually borne by the customer.
- incidental** This term is used in various places in tax law, usually to avoid excluding disallowing a tax deduction on grounds that a small part of the expenditure was for a non-deductible reason, such as incidental personal benefit of a business expense.  
The term is not further defined, though for business expenditure the Inspector’s Manual says that it means “any expenditure that is incurred directly or indirectly in connection with the provision of entertainment” (BIM 45020).
- incidental benefit** The unavoidable personal benefit enjoyed on expenditure incurred for a business. Examples include protective clothing (saving the need to wear ordinary clothing), an overseas business trip (seeing a new location) and even office facilities (not incurring heat and light bills at home). Such incidental benefits do not in themselves prevent an expense being “wholly and exclusively” for a business purpose and thus tax-deductible. The matter is discussed in the Inspectors’ Manual at BIM37007.
- incidental costs of obtaining finance** Incidental costs incurred in obtaining a loan or from issuing loan stock.  
Such costs may be tax deductible under Income Tax (Trading And Other Income) Act 2005s58. These rules were originally introduced by Finance Act 1980. It should be noted that the relief applies only to income tax, not to corporation tax.  
The matter is discussed in the Inspector’s Manual at BIM 45801.



<b>incidental expenses</b>	Small amounts spent beside larger amounts.
<b>incidental overnight expenses</b>	<p>In relation to possible taxation of advances to employees as an <b>employment-related loan</b>, means “expenses which —</p> <ul style="list-style-type: none"><li>(a) are incidental to the employee’s absence from the place where the employee normally lives,</li><li>(b) relate to a continuous period of such absence in relation to which the overnight stay conditions are met, and</li><li>(c) would not be deductible under Part 5 if the employee incurred and paid them and Chapter 2 of Part 4 (mileage allowances and passenger payments) did not apply”</li></ul> <p>(Income Tax (Earnings And Pensions) Act 2003 s179(6) and s240(1)).</p> <p>The rates have been £5 a day in the UK, and £10 a day overseas since the provision was first brought into effect in 1995.</p> <p>These were previously called <b>personal incidental expenses (PIEs)</b>.</p> <p>Small amounts of expenditure incurred by an employee while away on business which would otherwise be regarded as a taxable benefit to the employee. Normal accommodation and meals are allowable, so the provision applies to such disallowed items as newspapers, laundry and drinks at the bar.</p> <p>From 6 April 1995, PIEs allow an employer to disregard amounts up to a limit of £5 a day in the UK and £10 overseas. This is viewed over the whole period of absence, so the limit for six days in the UK is £30. It does not matter when that £30 was spent.</p> <p>It should be noted that PIEs exist for the convenience of employers and not for the benefit of employees. It is designed so that employers do not have to make adjustments for small amounts. An employee cannot otherwise claim the benefit of a PIE.</p> <p>The law is contained in Income Tax (Earnings and Pensions) Act 2003 s241.</p> <p>For national insurance, no adjustment was made to the law in 1995 as such expenses were not assessable to national insurance. With the extension of class 1A national insurance to expenses, a corresponding exemption was introduced by Social Security (Contributions) Regulations 2001 Sch 3 Part X. The matter is explained in the Inspector’s Manual at NIM06025.</p>
<b>incidental purposes</b>	In relation to <b>share loss relief</b> , “purposes having no significant effect (other than in relation to incidental matters) on the activities of the company in question” (Income Tax Act 2007 s137(7) and 181(8); Corporation Tax Act 2010 s79(7)).
<b>incidental sale</b>	In relation to wholesaling of controlled liquor, a sale that is incidental to a retail sale for which the seller is licensed (Alcoholic Liquor Duties Act 1979 s88A(4)).
<b>incitement to disaffection</b>	“If any person maliciously and advisedly endeavours to seduce any member of His Majesty’s forces from his duty or allegiance to His Majesty, he shall be guilty of an offence under this Act” (Incitement to Disaffection Act 1934 s1).

<b>incivism</b>	Neglect of duty as a citizen.
<b>included amount</b>	Term used in Income Tax (Earnings And Pensions) Act 2003 s369 in relation to earnings representing benefits to employees.
<b>26inclusio unius est 26exclusio alterius</b>	Latin: the inclusion of one is the exclusion of another
<b>inclusive minutes</b>	For telephone calls, the time allowed without extra charge for dialling a <b>non-geographic number</b> (which usually starts 03).
<b>inclusive price</b>	Term which defines the value used in determining the tax payable by an employee for having a company car. It comprises the <b>list price</b> of the car plus any taxes paid and any delivery charge (Income Tax (Earnings And Pensions) Act 2003 s123(2)).
<b>income</b>	<p>In accounting, money and benefits a person receives from all sources.</p> <p>“Increases in economic benefits during the reporting period in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in equity, other than those relating to contributions from equity investors” (FRS 102 glossary).</p> <p>“The definition of income encompasses both <b>revenue</b> and <b>gains</b>” (FRS 102 section 2.25).</p>
<b>income accounts</b>	American term for accounts that record a company's sources of income.
<b>income and expenditure</b>	“The total of income less expenses, excluding the components of <b>other comprehensive income</b> . In the for-profit sector this is known as profit or loss” (FRS 102 glossary).
<b>income and expenditure account</b>	Form once used to record income and expenditure, now replaced by receipts and payments account.
<b>income beneficiary</b>	Person who is beneficially entitled to receive income, but not capital, from a <b>discretionary trust</b> .
<b>income bond</b>	<p>Bond whose original principal is returned at maturity. The interest is paid as it is earned.</p> <p>The term is sometimes used to mean a specific product offered by National Savings and Investments. This product may be held in amounts from £500 to £1 million. Interest is paid into a bank account and is subject to income tax.</p>
<b>income contingent repayment scheme</b>	Part of the <b>Repayment of Teachers' Loan scheme</b> that operated between 2002 and 2005. Broadly, the loan was provided to enable qualified teachers to retrain in shortage subjects. Provided the teacher took such a post by 30 June 2005 and remained in post for ten years, the loan is written off. Otherwise any

balance is collected under the **student loan deduction scheme**.

**income deduction**

In relation to deemed manufactured payments, this term has a specific meaning in Income Tax Act 2007 s596(5).

**income disregard**

In social security, an amount of increase income that is ignored in determining entitlement to **tax credit** and to some other benefits. Provided a person's income does not increase by more than figure during the year, a person's tax credit or benefit if not altered.

For tax credits, the disregard is £10,000 from 6 April 2011. It was previously £25,000 from 2006.

**income dividend**

American term for a distribution of interest or dividends to the holder of shares in a mutual fund.

**income draw-down**

Option available to members of small self-administered pension schemes, personal pension schemes and recently extended to occupational scheme members with money purchase benefits or AVCs.

An annuity need not be purchased at retirement and can be delayed up to age 75. In the meantime the individual can **draw down** income from his pension investment. This can be a high-risk approach to pension provision and is subject to PSO regulation.

**income endowment**

Endowment plan that allows for the option of receiving regular income rather than a lump sum when the plan matures.

**income effect**

One of the two labour supply responses in determining the effect of a tax change in the economy. The other is the **substitution effect**.

The income effect measures the consequences of a tax change on individual economic behaviour. An example is a person who works less because his or her disposable income has increased.

**income from patents**

In relation to capital allowances for patents, this term is defined in Capital Allowances Act 2001 s483.

**income fund**

Investment trust or similar collective fund that aims to provide a high level of income at the expense of capital gain, and sometimes at much greater risk.

**income gearing**

Ratio of interest a company pays on its borrowings as a percentage of its pre-tax pre-interest profits.

**income-generating unit**

Group of assets, liabilities, goodwill that generates income that is largely independent of the main business (FRS 11).

**income in kind**

Donations to charity other than in cash.

**income in possession (IIP)**

Type of **trust** where a **life tenant** receives income or a right during their lifetime, after which the asset passes to the **remainderman**. Typical examples are where one person is allowed to live in a property until their death, then the property passes to someone else. Another common example is when one

person receives the interest on a capital sum, and on their death the capital passes.

An IIP trust pays income tax at 10% on dividend income, and at 20% on other income. (Before 2008/09, it paid 22% on rent income but 20% on savings income.) There is no higher or additional rate tax. No personal allowances may be offset against the income.

When received by the life tenant, the income must be split according to its source between dividends, interest and rent. The trustees usually do this using form R185.

<b>income maximisation</b>	Any proposal designed to increase a person's income. This is not usually a significant factor in debt recovery.
<b>income payments order</b>	Order requiring a bankrupt to give up income to pay his creditors.
<b>income policy</b>	Life Insurance contract that provides income on a monthly or other periodic basis, as opposed to a policy which pays proceeds in a lump sum.
<b>income protection insurance (IPI)</b>	Income Protection Insurance (also known as Permanent Health Insurance or PHI) provides a monthly income during periods of long-term illness or disability.
<b>income pure endowment</b>	Endowment plan that includes the option to be paid a regular income instead of receiving a lump sum when the plan matures.
<b>income-related</b>	Description of social security benefit that is <b>means-tested</b> .
<b>income-related ESA</b>	<b>Employment support allowance</b> that is paid as a result of a <b>means test</b> , as against <b>contributory ESA</b> . This benefit is not subject to income tax (Income Tax (Earnings And Pensions) Act 2003 s677).
<b>income-replacement benefits</b>	Social security benefits which are designed to replace income. Such benefits are subject to income tax on the same basis as the income they replace. The main income-replacement benefits are <b>jobseeker's allowance</b> , <b>incapacity benefit</b> , <b>state retirement pension</b> and similar.
<b>income retention condition</b>	One of the conditions set out in Income Tax Act 2007 s274 for an investment to qualify for <b>venture capital trust</b> tax relief. The condition is that the company may not keep more than 15% of its income for its own purposes, rather than for distribution to shareholders.
<b>income shares</b>	Shares in a <b>unit trust</b> which provide an income which do not rise as the capital value of the shares rise. Most unit trusts provide both capital growth and regular income from the shares which they hold. It is possible to have a <b>split-level trust</b> where the capital growth and income elements are separated between <b>capital shares</b> and income shares.

<b>income shock</b>	In personal finances, the consequences to an individual when their income is unexpectedly reduced, such as by redundancy or sickness. In particular, the term relates to the consequences for missed payments for rent, tax and loans.
<b>income smoothing</b>	Any arrangement which has the effect of reducing wide variations between dividends or similar distributions made by a company to its shareholders or by an investment vehicle to its members.
<b>income splitting</b>	Process of apportioning part of one person's income to another, usually for an ulterior motive. Common motives are to save tax or to make the donor eligible for a benefit.
<b>income spreading</b>	<p>Practice of sharing income with others (particularly a spouse) to reduce overall tax by using the others' personal allowances and lower rate bandwidths.</p> <p>Where this is done from a business owned by the true earner, the payment may be disallowed as not wholly and exclusively incurred for the business as required by Corporation Tax Act 2009 s54 or Income Tax (Trading And Other Income) Act 2005</p>
<b>income statement</b>	<p><b>Accounting</b></p> <p>Financial statement presenting revenues, expenses, and profit. Also called <b>profit and loss account</b>.</p> <p>"Financial statement that presents all items of income and expense recognised in a reporting period, excluding the items of <b>other comprehensive income</b> (referred to as the profit and loss account in the [Companies] Act [2006])" (FRS 102 glossary).</p> <p>The term income statement is preferred in international accounting standards.</p> <p><b>Derivatives</b></p> <p>The term "has the meaning it has for accounting purposes" (Corporation Tax Act 2009 s710).</p>
<b>income stream</b>	The tax implications of a transfer of income stream are set out in Income Tax Act 2007 from s809ZA.
<b>income subject to retrospective tax provision</b>	Payment made to an employee after the employment has ceased. The PAYE tax provisions are given in PAYE regulations SI 2003 No 2682 reg 36A.
<b>income support</b>	<p>Social security benefit payable to people with a low income. It is paid under Social Security Contributions and Benefits Act 1992 s124.</p> <p>From 27 October 2008, it is largely replaced by <b>employment support allowance</b>. It is finally abolished and replaced by <b>universal credit</b> under Welfare Reform Act 2012 s33(1)(c).</p> <p>The payment is subject to income tax (Income Tax (Earnings And Pensions) Act 2003 s660(1)) though s665 makes it exempt unless it is paid to a member of a couple involved in a trade dispute. The PAYE provisions are given</p>

in PAYE regulations SI 2003 No 2682 from reg 181.

### income support deduction notice (ISDN)

Notice which could be issued by the Benefits Agency to an employer within 15 days of an employee returning to work after an industrial dispute. The authority for issuing ISDNs comes from Social Security Contributions and Benefits Act 1992. In practice, these notices are extremely rare.

The notice is operated in a similar way to an attachment of earnings order, and has equal priority if the payslip is insufficient. The ISDN ends when the amount is recovered, the ISDN is 26 weeks old or the employment ends.

From 6 April 2013, it is replaced by a **deduction of earnings order** that may be used to recover any overpaid benefit.

### income tax

#### Definition

Tax imposed on the earnings of individuals (including partnerships). It was first introduced from 1799 to 1802, reintroduced from 1803 to 1812, and finally reintroduced in 1842, though it is still, strictly, an annual tax which requires a new Act of Parliament each year to continue levying it.

"Income tax, if I may be pardoned for saying so, is a tax on income. It is not meant to be a tax on anything else. It is one tax, not a collection of taxes essentially distinct."

*Lord Macnaghten in Attorney-General v LCC [1900] 4 TC 265.*

#### Scope of income

It is a tax on income and cannot be extended to other sources of wealth generation (*Attorney General v London County Council [1900] 4TC 265*). The exact scope of what constitutes income has often proved difficult. For example, benefits in kind for employees are brought into the scope of income tax, even though the employee's benefit is that of reducing expenditure rather than generating income.

It is distinguished from **corporation tax** which is imposed on companies and other corporate bodies, as well as from **capital gains tax** which is imposed on capital gains of individuals.

#### Overview

In general, all individuals of any age are liable to pay income tax. It is calculated by a minimum of three stages:

- adding up all income;
- subtracting allowances and deductions;
- multiplying by various rates.

#### Personal allowance

Almost all taxpayers are entitled to a **personal allowance**. They may have other items which may be deductible from their taxable income.

#### Rates

From 6 April 2011, there are only three rates of income tax, a **basic rate** of 20%, a **higher rate** of 40%, and an **additional rate** of 50%. Historically there have often been three or more rates.

There are some special rates of income tax, such as for savings and dividends on shares. A summary is provided in **income tax rates**.

### **Collection**

Income tax is collected in various ways. By far the largest amount is collected from employees' pay packets under **Pay As You Earn (PAYE)**. In the construction industry, subcontractors have some tax collected under **Construction Industry Scheme**. Payments of dividends and other investments have tax deducted at source. Other taxpayers complete a **self-assessment** return.

### **Accounting**

In accounting, income tax is shown in the **statement of cash flows**. The accounting treatment is set out in FRS 102 section 7.17.

It should be noted that accounting standards often use the term "income tax" to include corporation tax.

<b>income tax acts</b>	"Means all enactments relating to income tax, including any provisions of the Corporation Tax Acts which relate to income tax" (Interpretation Act 1978 Sch 1).
<b>income tax advantage</b>	Term used in Corporation Tax Act 2010 s687 to denote a gain that may arise from a <b>transaction in securities</b> . The term is also used in Income Tax Act 2007 s572A(3) in relation to <b>manufactured dividends</b> .
<b>income tax form</b>	Form which an individual completes to disclose his taxable earnings. This term remains in use even though the correct term is simply <b>tax return</b> . Since 1965 the same form has been used to disclose amounts subject to <b>capital gains</b> .
<b>income tax lock</b>	Provision which commits the government not to increase the basic, higher or additional rates of income tax at least until the next general election (Finance (No 2) Act 2015 s1).
<b>income tax rates</b>	Rates at which slices of income have been charged to income. From 2013/14, income tax has been charged at a <b>basic rate</b> of 20%, a <b>higher rate</b> of 40% and an <b>additional rate</b> of 45%. From 2010/11 to 2012/13, the rates were above except that the additional rate was 50%. From 2008/09 to 2009/10, there was no additional rate. From 2000/01 to 2007/08, the basic rate was 22%, and there was a <b>starting rate</b> of 10%. For previous tax years from 1973/74, there was (for some years) a starting rate of 10%, 20% or 25%; a basic rate between 23% and 35%; and high rates up to 83%. There are different rates of income tax for particular purposes, such as for dividend income and pension refunds. There is also a special rate for low income from savings.

Between 1973/74 and 1983/84, there was **investment income surcharge**. This increased the rate of income tax on such income by up to 15%. This meant that for the years 1974/75 to 1978/79, income tax on investment income reached 98%, widely seen as **fiscal theft**.

Between 1920 and 1973, a slice of income was tax-free (known as fractional relief), and there was a standard rate of income tax. The tax-free slice of income was 2/9 from 1952/53, though this could be reduced for higher incomes.

Surtax was also charged on incomes.

Between 1907 and 1920, there was no fractional relief. Tax was charged at a standard rate with a higher rate for investment income.

Before 1907, there was just a single uniform rate.

<b>income tax relief</b>	Term used in relation to <b>tainted charity donations</b> (Income Tax Act 2007 s809ZAM(4)).
<b>income tax relief limit</b>	<p>The limit on the amount of certain income tax reliefs that may be claimed from 6 April 2013. The relief is the higher of 25% of the taxpayer's adjusted income and £50,000.</p> <p>The main reliefs subject to this limit are:</p> <ul style="list-style-type: none"><li>• trade loss relief against general income and early trade losses relief – claimed on the self-employment, Lloyd's underwriters or partnership pages</li><li>• property loss relief (relating to capital allowances or agricultural expenses) – claimed on the UK property or foreign pages</li><li>• post-cessation trade relief, post-cessation property relief, employment loss relief, former employees deduction for liabilities, losses on deeply discounted securities and strips of government securities – claimed on the additional information pages</li><li>• share loss relief, unless claimed on Enterprise Investment Scheme (EIS) or Seed Enterprise Investment Scheme (SEIS) shares – claimed on the capital gains summary pages</li><li>• qualifying loan interest – claimed on the additional information pages.</li></ul> <p>Guidance is provided by HMRC on helpsheet 204.</p>
<b>income test</b>	<p>One of the requirements for receiving a <b>tax credit</b>.</p> <p>The test is set out in Tax Credits Act 2002 s7.</p>
<b>income threshold figure</b>	Figure of income set each year, below which a household may claim a tax credit.
<b>income unit</b>	Unit in a <b>unit trust</b> from which the investor receives an income in the form of income rather than capital gain.
<b>income stream transfer</b>	In relation to <b>loan relationship</b> , the term is defined in Corporation Tax Act 2009 s486F(2)).
<b>incoming company</b>	<p>In relation to capital gains tax on pre-1982 acquisitions, "in relation to a group of companies, means a company which —</p> <p>(a) makes its first disposal to which section 35 applies at a time when it</p>



is not a member of the group, and

(b) becomes a member of the group before the end of the period during which an election under section 35(5) could be made in relation to it and at a time when so such election has been made" (Taxation of Capital Gains Act 1992 Sch 3 para 9(2)).

**incoming partner**

Newly joined partner. Such a partner is not liable for any debts of the partnership which arose before he joined (Partnership Act 1890 s17).

A new partner means that the old partnership is dissolved and a new partnership formed for tax purposes, unless all new and old partners make a joint election for the partnership to continue.

**incoming resources**

Figure in **statement of accounts** for all forms of income.

**in commendam**

Latin: in trust

**incomplete records**

Accounting records which do not used **double entry bookkeeping**. Such records can be incomplete in many ways.

**in conjunctivis oportet utrumque, in disjunctivis sufficit alteram**

Latin: in conjunctives both must be true, in disjunctives it is sufficient if one of them be true.

This principle has been applied in tax matters. So tax relief on "fixed plant and machinery" means fixed plant and *fixed* machinery. Similarly VAT on "hot takeaway food and drink" means hot takeaway food and *hot takeaway* drink.

**in consimili casu**

Latin: in a like case.

**inconsistency notice**

Notice that the Registrar of Companies may send to a company when a document is received containing information that is inconsistent with information already on file (Companies Act 2006 s1093).

**incontinece pad**

For VAT, these are generally standard-rated unless zero-rated as a product for the handicapped, or reduced-rated as sanitary protection. Details are given in VAT notice 701/18.

**in contumacian**

Latin: as an act of contumacy.

**in contractis tacite insunt quae sunt moris et consuetudinis**

Latin: the clauses which are in accordance with custom and usage are an implied part of every contract.

**inconvertible**

Description of something which cannot be converted, such as a security which cannot be converted to cash.

**in convertionibus contrahentium voluntas potius quam verba spectari placuit**

Latin: in construing agreements the intention of the parties, rather than the words actually used, should be considered.

<b>incorporate</b>	Bring a company into existence.
<b>incorporated friendly society</b>	A <b>friendly society</b> that has become a limited company. Tax provisions are found in Income and Corporation Taxes Act 1988 s461 and following sections.
<b>incorporated society</b>	<b>Friendly society</b> that has become incorporated (Taxation of Capital Gains Act 1992 s217A).
<b>incorporation</b>	Process of bringing a company into existence, or the date when this happened. The term is often used when a sole trader becomes a limited company.
<b>incorporation relief</b>	For capital gains tax, a relief that is given automatically when there is a disposal of assets to a company incorporated to continue the same business (Taxation of Capital Gains Act 1992 s142).
<b>incorporeal chattels</b>	Personal rights and interests that are not tangible assets, such as shares, patents and annuities.
<b>incorporeal hereditament</b>	Intangible rights or interest in land, such as a right of way or a right of pasture.
<b>in course</b>	In regular order.
<b>increase</b>	Move to a higher number, amount or quantity. In relation to income that restricts annual allowance for tax relief on pension contributions, "increase includes increase from nil" (Finance Act 2004 s228ZA(7) as amended by Finance (No 2) Act 2015 Sch 4 para 10).
<b>increasing basis</b>	Term used for a provision in some life and health insurance policies. It automatically increases the level of cover (and the premium) without the need for further medical checks.
<b>increasing life annuity</b>	Another term for an <b>escalating annuity</b> .
<b>increasing term assurance</b>	Assurance policy where the sum assured increases, usually by indexation to a measure of inflation.
<b>increment</b>	Increase, particularly one which is regular and pre-planned, such as moving up a salary scale.
<b>incremental analysis</b>	In management accounting, analysing changes in costs and revenues according to a change in activity.
<b>incremental budgeting</b>	Method of producing a budget for one year by increasing figures for the previous year. The opposite approach is known as <b>zero-based budgeting</b> .
<b>incremental cost</b>	Cost of making an additional unit. This is basically the cost of materials and labour, without any overheads. It usually means the same as the <b>marginal cost</b> .

<b>incremental increase</b>	Increase in salary in accordance with an established pay scale.
<b>incremental revenue</b>	In management accounting, the additional revenue that arises from an activity within the organisation. Incremental revenue is cost-justified when it exceeds incremental costs.
<b>incremental scale</b>	Pay scale where salaries are determined according to a system of grading, points or similar.
<b>incubator</b>	In business, the term is designed for facilities to help small companies overcome obstacles to growth. This typically includes premises and services in business management.
<b>incumbent and churchwardens trust</b>	Trust held for benefit of Church of England church. It is either a <b>special trust</b> or must be separately registered as a charity.
<b>incumbrance</b>	In law, something that affects or limits the title of a property. Examples include mortgages, leases, liens, mortgages and various types of legal restriction.
<b>in curia</b>	Latin: in open court
<b>incurred basis</b>	Old tax practice that expenses are always allowed when incurred regardless of the accounting treatment. Following the decisions in <i>Jenners Princes St Edinburgh [1998]</i> and <b>Threlfall v Jones [1993]</b> , the accounting treatment must generally be followed. The incurred basis was in effect outlawed from 1 July 1999. The matter is discussed in the Inspectors' Manual at BIM42220.
<b>in custodia legis</b>	Latin: in the custody of the law.
<b>indaba</b>	Zulu term for an important tribal conference. By extension the term is sometimes used for any similar conference.
<b>indebtedness</b>	State of owing money to others
<b>indecent material</b>	Customs may seize any indecent material that a traveller attempts to bring into the UK. Indecent material includes improper material featuring children, material containing extreme violence, and any pornography that cannot be legally bought in the UK.
<b>in default</b>	For company law, an officer of a company is in default "if he authorises or permits, participates in, or fails to take all reasonable steps to prevent, the contravention" (Companies Act 2006 s1121(3)).
<b>indemnify</b>	Agree to pay if someone else incurs a loss.

<b>indemnity</b>	<p>Payment to reimburse a specific quantifiable monetary loss or expense incurred</p> <p>In terms of commission, an indemnity may be paid in full at commencement of a contract on the assumption that this will remain in force for at least a certain minimum period. If the contract is terminated within this period part of the commission may be required to be refunded.</p>
<b>indemnity commission</b>	<p>Provision that allows a life insurance company to claim back commission it has paid in respect of a policy if that policy is cancelled within a defined period.</p>
<b>indemnity insurance</b>	<p>Insurance against the costs of indemnifying someone.#</p> <p>The premium paid by an employer to indemnify an employee is not generally a taxable benefit (Income Tax (Earnings And Pensions) Act 2003 s346).</p> <p>The rights of charity trustees to take out such insurance is given in Charities Act 2011 from s189.</p>
<b>indenture</b>	<p>Formal agreement setting out the terms of a bond issue or apprenticeship.</p>
<b>independence</b>	<p>One of the requirements for an auditor.</p> <p>“Independence is freedom from situations and relationships which make it probable that a reasonable and informed third party would conclude that objectivity either is impaired or could be impaired. Independence is related to and underpins objectivity. However, whereas objectivity is a personal behavioural characteristic concerning the auditor’s state of mind, independence relates to the circumstances surrounding the audit, including the financial, employment, business and personal relationships between the auditor and the audited entity” (APB ES 1 para 12).</p>
<b>independence requirement</b>	<p>Requirement for certain office holders to have no connection with a party in any proceedings where such connection could appear to compromise the judgment of the office holder.</p> <p>Such a requirement is traditionally required of auditors, experts, valuers and witnesses. A specific example is Companies Act 2006 s936 in relation to experts and valuers.</p> <p>To the extent that such an office holder is not wholly independent, either the person cannot act in such a capacity, or the relevant details must be disclosed by the office holder.</p>
<b>independent</b>	<p>Not under the control, authority or significant influence of another party.</p> <p>In statistics, the term refers to a variable that is unaffected by any other variable.</p>
<b>independent advocacy services</b>	<p>Services which must be provided for dealing with complaints against the health service under National Health Service Act 2006 s248.</p>
<b>independent agent</b>	<p>For capital gains tax purposes, “in relation to a non-UK resident (“X”) means a person who is the UK representative of X in respect of any agency in which the</p>

person is acting on behalf of X in an independent capacity" (Taxation of Capital Gains Act 1992 s271J(2)).

**Independent Anti-Slavery Commissioner**

Person so appointed under Modern Slavery Act 2015 s40.

**independent assessor**

Person who conducts an **independent report on poll** as requested by sufficient members of a quoted public company.

The appointment of such a person is governed by Companies Act 2006 ss343-345.

**Independent Barring Board (IBB)**

Body corporate established under Safeguarding Vulnerable Groups Act 2006 s1(1) to keep a register of people barred from working with children or **vulnerable adults**. It has now been replaced.

**independent broker**

"Person, who independently of the director or any person connected with him, selects the person with whom the transaction is to be effected" (Companies Act 2006 s194(2)(a)).

Under company law, members' approval is required for a **substantial property transaction** involving a director. There are exceptions, including a transaction on a recognised investment exchange through an independent broker.

**independent broker conditions**

For the income of non-residents, this term is defined in Income Tax Act 2007 s817.

**Independent Business Review (IBR)**

A statement made by a professional adviser in connection with a **Time to Pay** request involving more than £1 million. The duty to submit such a statement became a requirement from 1 April 2010.

**independent child trafficking advocate**

Person so appointed under Modern Slavery Act 2015 s48.

**independent company**

Company which is not under the **control** of another company.

**independent examination (IE)**

An alternative to a full audit for charities with income of less than £500,000 a year (from February 2008). There are some restrictions when a full audit is still required, particularly in Scotland.

The two main differences between IE and full audit are:

- the scrutiny of the accounts is less detailed; and
- the assurance is just that nothing has been found that needs

reporting.

**independent expert**

For the definition of a **knowledge-intensive company** for enterprise investment scheme and other schemes, this term is defined in Income Tax Act 2007 s252A as inserted by Finance (No 2) Act Sch 5.

For venture capital trusts, the same definition is used in Income Tax Act 2007 s331A as inserted by Finance (No 2) Act 2015 Sch 6.

**Independent Family Returns Panel**

Body established by Borders, Citizenship and Immigration Act 2009 s54A as inserted by Immigration Act 2014 s3. Its function is to consider how to deal with the children of a person deported from the UK.

**independent financial adviser (IFA)**

A broker or other intermediary authorised to sell or advise on the policies offered by any insurance company, as well as other financial service providers.

**independent foundation**

A private foundation that is no longer controlled by the original donor or donor's family.

**independent group of persons**

Term used by HMRC in its June 2011 consultation document about **cost sharing** for VAT.

**independent investment manager conditions**

For the purposes of income of non-residents, this term is defined in Income Tax Act 2007 s818.

**independent judiciary**

Principle that judges are not under the control or direction of government ministers. It is now enshrined in Constitutional Reform Act 2005 s3.

**Independent Labour Party**

Name by which the **Labour Party** was initially known, and under which its first member Keir Hardie stood in 1893.

**independent measures design** In psychology and similar disciplines, method that involves comparing results from separate groups of people.

**independent mental capacity advocate**

Person appointed under Mental Health Act 2005 s35 to provide support and otherwise assist a person who may have lost **mental capacity**.

**independent mental health advocate**

Person who acts on behalf of mental patients under the provisions of Mental Health Act 1983 s130A.

**independent personal budget** In relation to a local authority's care of an adult, means "a statement which specifies what the cost would be to the local authority concerned... of meeting the adult's eligible needs for care and support" (Care Act 2014 s28(1)).

**Independent Office for Police Conduct (IOPC)**

Body that independently investigates allgeations of police misconduct. It replaces the Independent Police Complaints Commission from 8 January 2018, and has more powers.

**Independent Police Complaints Commission (IPCC)**

Body corporate established under Police Reform Act 2002 s9. It is replaced by the Independent Office for Police Conduct from 8 January 2018.

**independent report on poll**

In company law, a report conducted by an independent assessor of a poll taken by a quoted public company. Such a report must be requested by either 100 members who each have paid up an average of £100, or by members holding at least 5% of the voting rights (Companies Act 2006 s342).

**independent third party**

In relation to anti-avoidance using leases, the term has a specific meaning in Corporation Tax Act 2009 s904(6).

**independent trade union**

A **trade union** which  
“(a) is not under the dominance or control of an employer or group of employers or of one or more employers’ associations, and  
(b) is not liable to interference by an employer or any such group or association... tending towards such control” (Trade Union and Labour Relations (Consolidation) Act 1992 s5).

**independent trader**

Business which is owned by a person who is not under the control of a larger business, such as a shop run by its proprietor and not as part of a national retail chain.

**independent variable**

In psychology, the variable that researchers manipulate in an experiment.

**in desposito**

Latin: for a pledge.

**index**

*Mathematics*

Number which indicates a relative change in a financial measure. An index is often applied by treating the number as half a fraction.

For example if an item was bought when an index of inflation (such as RPI or CPI) was at 105, and the item was sold when the index was at 120, the inflated purchase price can be calculated by multiplying the actual price by 120/105.

*General*

Alphabetical listing of subjects identifying the pages where particular topics will be found in the book, report or other document.

**indexation**

Adjusting a figure to reflect the change in value over time due to inflation.

**indexation allowance**

Amount that is added to the acquisition cost of an asset to reflect inflation during the period to disposal by a company.

Suppose an asset was acquired for £1,000 when the **retail prices index** was 180, and was sold for £2,000 when the index was 198. The index has increased by 10%, so the acquisition cost is increased by 10% to £1,100 and only the difference of £900 is taxed as a chargeable gain. This stops the tax being charged on inflation.

Indexation allowance is given on **chargeable gains** of companies.

Since 1998, individuals paying capital gains tax have applied indexation

only from acquisition to 5 April 1998. For later periods, the individual may claim taper relief, or pay a lower rate of tax.

**indexation loss**

Loss created by applying **indexation** to a capital gain.

For disposals from 29 November 1993, no relief is given for an indexation loss (subject to a two-year transitional period).

**index-linked**

Description of an investment or other financial instrument whose value is automatically adjusted in accordance with a published index.

**index-linked capital return**

In relation to **index-linked gilt-edged securities**, the term is defined in Corporation Tax Act 2009 s410A(7).

**index-linked gilt-edged securities**

"Any gilt-edged securities under which the amounts of the payments are determined wholly or partly by reference to an index of prices published by the Statistics Board" (Corporation Tax Act 2009 s399"

Corporation tax provisions are given in Corporation Tax Act 2009 from s398.

**index-linked gilt-edged securities with embedded contracts for difference**

Tax provisions are given in Corporation Tax Act 2009 s623.

**index-linked pension**

Pension which increases each year according to an index to provide a measure of protection against **inflation**. A pension which is not index-linked is known as a **level pension**.

There are usually three choices for index-linking:

- **full indexation**: where the pension paid is increased in line with an index (usually **Retail Prices Index**) regardless of how high the index goes;
- **limited price indexation**: where the pension is increased in line with an index to a maximum percentage (often 5%);
- **escalation**: where the pension increases each year by a fixed amount (often 3%) regardless of the rate of inflation.

For a **private pension**, the member usually has a choice. This can significantly reduce the amount of pension payable. For example, using recent annuity rates, a 65-year old man retiring with a pension fund of £100,000 could receive a monthly **level pension** of £615, or £419 with 3% escalation, or £392 with full RPI indexation.

For an **occupational pension**, the extent of indexation is set out in the terms of the scheme. Public sector pensions enjoy full indexation.

**index number**

Number taken from an index.

Often an index number is half a fraction. For example if the RPI was 114 when an asset was acquired and 131 when sold, the acquisition cost may be multiplied by 131/114 to determine how much of the proceeds represents profits as against inflation.

**index of company names**

The index which must be kept at Companies House under Companies Act 2006 s1099.

It is also accessible on-line as WebCheck at



<http://wck2.companieshouse.gov.uk/86fa74c2ba751e6ea1f7e87159aa4602/wcframe?name=accessCompanyInfo>.

- index of members** Alphabetical list of shareholders or guarantors which a limited company must keep in addition to its **register of members** if there are more than 50 members (Companies Act 2006 s115).
- index of production (IOP)** Statistical measure produced by the Office for National Statistics.
- index tracker** Investor, fund or fund manager who aims to copy the results of an index.
- index tracking** An index tracking fund aims to follow a particular index as closely as possible. It does not aim to beat it. It invests only in the companies that make up that index. Index tracking removes the need to employ fund managers, which means charges tend to be lower.
- India** Eastern country. Its currency is the rupee of 100 paise.  
The UK has a double taxation agreement of 2013, a double taxation agreement of 1993 and a memorandum of understanding on Article 27 mutual agreement procedure.  
Payments of a pension made under Pensions (India, Pakistan and Burma) Act 1955 may be exempt from income tax under Income Tax (Earnings And Pensions) Act 2003 s654.
- Indian gift** Old term for a gift where the giver has the expectation of being able to ask for it to be given back on request, or where the giver expects a gift in return. This use is now regarded as perjorative.
- Indian ink** Indelible black ink once widely used for writing but now largely restricted to drawing. It is also known as India ink. It comprises a suspension of soot in water, often with a binding agent.
- Indian paper** Thin absorbent paper.
- indicative maintenance calculation**  
In relation to child maintenance, "a calculation of the amount of child support maintenance which the Commission considers would in accordance with section 11 [of Child Support Act 1991] be fixed by a maintenance calculation if such a calculation were made with respect to the child or children in question"  
(Child Support Act 1991 s91(3) as inserted by Welfare Reform Act 2012 s138).
- indicative seal** A **trader seal** that can withstand a force of between 250 and 1000 kilograms. A seal that can withstand a greater force is called a security seal. Further details are given in Customs notice 205.
- indicator** Something which indicates something, such as a direction.

- indirect agent**                      **Customs agent** who makes Customs declarations in the agent's own name (Taxation (Cross-border Trade) Act 2018 s21(1)(b)).
- indirect taxation**                      Taxation that is not paid directly to the tax authorities. Typically indirect taxation is incurred on expenditure, such as in the form of VAT, excise duty, Customs duties, insurance premium tax and air passenger duty.
- individual**                                  One person, as against a company or a group of people. For consumer credit, the term includes a partnership of unincorporated body (Consumer Credit Act 1974 s189(1)).
- individual accounts**                      Term used in Companies Act 2006 s394 meaning the accounts for each individual company, as against consolidated accounts.
- Individual Investor Express Delivery Service (IIEDS)**  
Service for individual investors on the New York Stock Exchange which puts their orders at the front of the queue.
- individual savings account (ISA)**  
Tax-advantaged scheme whereby individuals may hold shares in companies. Shares held in an ISA have no income tax charged on their dividends, and no capital gains tax when sold.  
They were introduced on 6 April 1999, as a replacement for **personal equity plans** and **tax-exempt special savings accounts**.  
There are many rules which must be followed. These rules have changed many times since ISAs were introduced.
- individual savings account business**  
In relation to taxation of life assurance business, "means so much of a company's life assurance business as is referable to individual savings account policies (but not including the reinsurance of such business)" (Income and Corporation Taxes Act 1988 s431BB(1)).
- individual savings account policy**  
"A policy of life insurance which is an investment of a kind specified by regulations made by virtue of section 695(1) of Income Tax (Trading And Other Income) Act 2005 " (Income and Corporation Taxes Act 1988 s431BB(2)).
- individual voluntary agreement (IVA)**  
Legal arrangement between a debtor and creditors for paying at least 25% of the debts.
- individual voluntary arrangement (IVA)**  
Arrangement by an insolvent person which provides a measure of protection against bankruptcy.
- indirect**                                      Not direct, such as where there is one step in between cause and effect. If A causes B which causes C, A is an indirect cause of C.

<b>indirect benefit</b>	<p>Any form of <b>consideration</b> provided indirectly to someone, such as from an employer to employee.</p> <p>An example is when an employee receives a benefit which arises indirectly from work such as winning a prize from an external body. In general such benefits are taxable as a benefit in kind unless it can be shown that the nature was unrelated to work such as a personal testimonial.</p>
<b>indirect control</b>	<p>Where an entity has <b>control</b> over an asset or business, but this is not <b>direct control</b>. A common example is a subsidiary of a company.</p>
<b>indirect expenses</b>	<p>Overheads and any other expenses which are not directly incurred in producing goods or services, such as rent, insurance and administration expenses.</p>
<b>indirect export</b>	<p>Customs procedure which refers to goods declared in the UK leaving the European Union via another member state.</p>
<b>indirect labour</b>	<p>Cost of paying employees not directly involved in producing goods or services.</p>
<b>indirect method (of operating cash flow)</b>	<p>Calculates operating cash flow by adjusting operating profit for non-cash items and for changes in working capital.</p>
<b>indirect representation</b>	<p>A third party who makes a customs declaration in their own name, but on behalf of a trader.</p>
<b>indirect taxation</b>	<p>Collecting revenue from <b>indirect taxes</b>.</p>
<b>indirect taxes</b>	<p>Taxes charged on spending rather than earnings. The term comes from the fact that the tax is not paid directly to the taxing authorities.</p> <p>Indirect taxes include <b>value added tax, Customs duties, excise duties, stamp duty, stamp duty land tax, stamp duty reserve tax, landfill tax, air passenger duty, insurance premium tax, climate change levy</b> and <b>aggregates levy</b>.</p>
<b>individual</b>	<p>Term sometimes used to mean a <b>natural person</b>.</p>
<b>individual investment plan for children</b>	<p>The tax provisions are set out in Income Tax (Trading And Other Income) Act 2005 from s694.</p>
<b>individual learning account (ILA)</b>	<p>Tax-advantaged arrangement whereby a current or previous employer may fund training (Income Tax (Earnings And Pensions) Act 2003 s255).</p> <p>The scheme operated from September 2000 to 23 November 2001 when they were shut down because of widespread abuse.</p>
<b>individual retirement account (IRA)</b>	<p>In the USA, a tax-advantaged retirement account that may be set up by employees.</p>

**individual risk**

In relation to resolution of tax disputes, “means a particular transaction (or series of transactions) or an item in a return or declaration which causes risk to past, or present or future revenue flows” (HMRC Notice of 20 December 2013).

**individual savings account (ISA)**

Tax-advantaged investment vehicle introduced in UK on 6 April 1999 when they replaced PEPs and TESSAs. An ISA is not an investment in its own right, but a wrapper which gives tax advantages for other investments, such as shares. The scope has widened since their introduction.

An ISA cannot be jointly owned, but each party in a marriage may have their own ISA.

The statutory authority is Income and Corporation Taxes Act 1988 ss333-333B, Taxation of Capital Gains Act 1992 s151, and Finance Act 2008 ss75-76. Many details are given in regulations as SI 1998 No 1870 as amended.

The statutory provisions are now largely contained in Income Tax (Trading and Other Income) Act 2005 ss694-701.

From 1 July 2014, ISAs are replaced by New ISAs (NISAs) when the annual limit was increased from £11,880 to £15,000, and has been subsequently indexed. NISAs largely abolished restrictions on what types of investment qualify for a NISA.

From 1 November 2011, it is possible to take out a junior ISA for UK-resident children under 18. Junior ISAs replace the child's trust fund.

**individual's claimed film-related losses**

In relation to the sale of occupation income, this term is given a specific meaning in Income Tax Act 2007 s800(3).

**individual's contribution to the firm**

In relation to the sale of occupation income, this term is given a specific meaning in Income Tax Act 2007 s794(4).

**individual's section 49(1) property**

In relation to inheritance tax and arrangements involving acquisition of interest in settled property, “means settled property to which the individual is treated as beneficially entitled under section 49(1) [of Inheritance Tax Act 1984] by reason of the individual being beneficially entitled to an interest in possession in the property” (Inheritance Tax Act 1984 s74A(5)).

**individual turnover report (ITR)**

Report provided by the London Stock Exchange for any listed company for any period going back to 1986.

**Indonesia**

State comprising an island group bound by Indian Ocean, Pacific Ocean and South China Sea. Its currency is the rupiah of 100 sen. The UK has a double taxation convention of 1994.

<b>indoor relief</b>	Assistance once provided to the poor by their being in a <b>workhouse</b> which provided their accommodation and a small income.
<b>indorsee</b>	A person to whom a <b>bill of exchange</b> is <b>indorsed</b> .
<b>indorsement in blank</b>	When a <b>bill of exchange</b> has been <b>indorsed</b> but specifying no <b>indorsee</b> . Such a bill becomes payable to bearer (Bills of Exchange Act 1882 s34(1)).
<b>indorsement</b>	Same as <b>endorsement</b> . American usage favours the letter I.
<b>indorsement</b>	<p>The evidence that a <b>bill of exchange</b> has been <b>negotiated</b>.</p> <p>This requires the <b>signature</b> of the <b>indorser</b> on the bill itself; no further words are necessary (Bills of Exchange Act 1882 s32(1)).</p> <p>Particular types of indorsement are <b>indorsement in blank, conditional indorsement, special indorsement</b> and <b>restrictive indorsement</b>.</p>
<b>indorser</b>	Someone who adds an <b>indorsement</b> to a <b>bill of exchange</b> .
<b>inducement</b>	Payment or similar incentive designed to persuade someone to do something legal. If the payment is do something illegal, it is a <b>bribe</b> .
<b>induction</b>	<p>(1) In statistics, estimating a <b>population parameter</b> from sample data.</p> <p>(2) In human resources, process of integrating a new worker into an organisation.</p>
<b>inductive reasoning</b>	<p>In logic, conclusions drawn from observations, as against <b>deductive reasoning</b> that moves from one premise to another.</p> <p>In tax appeals, more reliance is generally placed on deductive reasoning.</p>
<b>indulgence</b>	Remission from punishment by God for sin committed. At some periods these have been sold.
<b>industrial action</b>	<p>Any form of organised protest by workers. They include a work-to-rule and strikes.</p> <p>An employer may not pay any refunds of tax due under the PAYE system during such action</p> <p>A period of such action is excluded from the reckoning of continuous service, which can affect employment rights.</p>
<b>industrial activities</b>	<p>Activities that fallen within divisions 1 to 5 of the Standard Industrial Classification. These are broadly energy, mining, engineering, manufacturing and construction.</p> <p>The provision of water for such activities is usually standard-rated unlike water for domestic use (VAT notice 701/16).</p>
<b>industrial and provident society</b>	<p>Legal entity that provides benefits to its members. Many are old co-operatives, working men's clubs, allotment societies, mutual investment companies, friendly societies, housing associations and similar.</p> <p>They are currently regulated by Co-operatives and Community Benefit</p>

Societies Act 2003 which replaced 19<sup>th</sup> century laws.

They are generally only taxed on their income from trading outside their membership, as set out in Corporation Tax Act 2010 s47.

The taxation of their dividends is set out in Corporation Tax Act 2009 s132.

Their payments are taxed under Corporation Tax Act 2009 from s499.

- industrial arbitration tribunal** Tribunal which arbitrates in industrial disputes.
- industrial assurance contract** “Means a contract of assurance made by an industrial assurance company in the course of its industrial assurance business in Great Britain or a contract made by a collecting society with a member of the society in the course of its industrial assurance business in Great Britain, whether contained in the rules of the society or not” (SI 1977 No 1144 para 2(1)).
- industrial building** Building that attracted a capital allowance until 6 April 2011.  
The allowance was phased out from 2008. Broadly the 4% writing down allowance then applying was reduced to 3% in 2008, 2% in 2009, 1% in 2010 and then abolished.  
Industrial buildings included mills, factories, docks, structures for water and other utilities, tunnels, bridges, warehouses, mine buildings, farm buildings and toll roads.  
Industrial buildings did not include shops, hotels, showrooms, dwelling houses or offices. Some of these may have qualified for other capital allowances.
- industrial buildings allowance** Capital allowance that could be claimed before 2011 for **industrial buildings**. The law was Capital Allowances Act 2001 from s271, which could still be relevant for a late claim or continuing dispute.
- industrial development grants** The tax implications are given in Corporation Tax Act 2009 s102 and Income Tax (Trading and Other Income) Act 2005 s105.  
For an investment company, the provision is given in Corporation Tax Act 2009 s1252.
- industrial hereditament** Term used in Rating and Valuation (Apportionment) Act 1928 s3 to determine how rates were calculated on certain premises used both as a residence and industry. These definitions were used in Finance Act 1954 s28 in reducing the rate of estate duty payable.  
The 1928 Act was repealed on 19 May 1997, and the relevant part of Finance Act 1954 was repealed by Finance Act 1975.
- industrial injuries benefit (IIB)** Social security benefit payable to someone who suffers from a personal injury sustained at work or from an industrial illness. The injury must lead to a **loss of faculty**.  
The main element of the benefit is disablement benefit. It may also include reduced earnings allowance or retirement allowance. The latter is only payable for accidents or diseases that happened before October 1990. The benefit may only be claimed by an employee who paid class 1 national insurance.

The benefit is payable under Social Security Contributions and Benefits Act 1992 s94.

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

<b>industrial life assurance</b>	Life assurance policy where weekly or monthly premiums were paid by the insured directly to a collector. Such policies are now almost extinct.
<b>industrial methylated spirits</b>	One of the three classes of <b>methylated spirits</b> on which alcoholic liquor duty is not payable.
<b>industrial tribunal</b>	Old name for what is now known as an <b>employment tribunal</b> .
<b>industrial union</b>	Term used from 1910 for trade unions which were related to a particular industry rather than to a particular employer.
<b>inequality</b>	(1) In mathematics, the state of two numbers or other items not being the same. The symbol for this is $\neq$ . (2) In human resources, when a person is not treated with equal fairness to others.
<b>in esse</b>	Latin: in being. The term describes something that actually exists.
<b>in 47extenso</b>	Latin: at full length.
<b>in extremis</b>	Latin: at the point of death.
<b>inextricably linked property</b>	Term used in Criminal Justice and Police Act 2001 in relation to seized property, but which is not otherwise defined.
<b>infangthief</b>	Old legal term for the old right of taking and holding a thief within one's area of jurisdiction.
<b>infant</b>	In law, a person below the age of majority.
<b>infanticide</b>	Criminal offence under Infanticide Act 1938.
<b>infeasible</b>	Description of a mathematical or other problem that has no problems because of a conflict of <b>constraints</b> . For example you must travel 200 miles in two hours and not break the 70 mph speed limit.
<b>inference</b>	In statistics, a method of decision-making on imperfect data. The alternatives are <b>deduction</b> and <b>induction</b> .
<b>infeudation</b>	Putting an estate in fee; granting tithes to a layman.
<b>inflated member-related expenditure</b>	For the purposes of anti-avoidance involving community amateur sports clubs, this term is defined in Corporation Tax Act 2010 s202C as inserted by Finance

Act 2014 s35.

**inflation**

Amount by which prices increase each year. Note that inflation measures the amount by which prices increase, not the amount by which the value of currency decreases.

There are many indices that measure inflation. The two commonest in the UK are retail prices index (RPI) and Consumer Price Index (CPI). CPI is generally replacing RPI. It has tended to produce lower figures.

“A rise in the general price level of goods and services. Often measured over a 12 month period” (HM Treasury glossary).

**inflation accounting**

System designed to allow for the fact that money has lost value during the accounting period. No system of inflation accounting is currently recognised in the UK.

Two systems of inflation accounting have been tried in the UK: **current purchasing power (CPP)** and **current cost accounting (CCA)**.

**inflationary gap**

Economic term describing when there is too much demand in the economy.

This excess level of demand tends to lead to **demand-pull inflation**.

**inflation-linked**

Description of a sum whose amount increases in line with a measure of inflation.

**inflation-proof**

Description of a financial product or other item where provisions have been made to ensure that its value in real terms is held against inflation.

**in force business**

Insurance that is current and for which premiums are being paid or for which premiums have been fully paid. The term is particularly used for life insurance and health insurance.

**inflow**

**Cashflow** of money coming into a business or other entity.

**informal arrangement**

Work done on a casual basis, such as where a person helps his neighbour start a car.

Where work is done on such a basis, the provisions of the **national minimum wage** do not apply.

**informal correction**

Term used in Companies Act 2006 s1075 in relation to a minor change to a document that may be made at Companies House.

**informant**

Person who secretly provides information about another person to a law enforcement authority.

The right of HMRC to pay a reward for such information is given in Commissioners for Revenue and Customs Act 2005 s26.

The right of a newspaper to deduct the cost of entertainment to informants was established in the case *Fleming v Associated Newspapers Ltd [1972] 48 TC 382*. This is discussed in the Inspector's Manual at BIM 45030.

**in forma pauperis**

Latin: in the character of a pauper



<b>information</b>	Factual statements provided by counsellor which provide more guidance than therapeutic counselling but just stops short of giving advice.
<b>information code</b>	Number on a driving licence which indicates a restriction on what the holder may driver. For example, 40 means modified steering and 78 means restricted to vehicles with <b>automatic transmission</b> .
<b>information collator</b>	In relation to educational qualifications, this term is defined in Small Business, Enterprise and Employment Act 2015 s79(6).
<b>Information Commissioner</b>	Government appointee who oversees freedom of information and data protection. The current Commissioner is Elizabeth Denham, appointed in July 2016. The Information Commissioner continues to hold office under Data Protection Act 2018 s114.
<b>Information Commissioner's Office (ICO)</b>	"The ICO is the UK's independent body set up to uphold information rights." (ICO website).
<b>information notice</b>	<b>HMRC notice to taxpayer</b> Notice served by HMRC to obtain information about a person's tax affairs. Such notices are generally issued under various provisions of Finance Act 2008 Sch 36. In Scotland, there are similar provisions, The term is defined in Revenue Scotland and Tax Powers Act 2014 s131(1).  <b>HMRC notice to bank</b> Notice served by HMRC on a bank to discover how much a taxpayer has in his or her tax account. Such sum may be seized without further reference to a court by the issue of a <b>hold notice</b> . The provisions of information notices are given in Finance (No 2) Act 2015 Sch 8 para 3.  <b>Data protection</b> Notice that may be issued by the Information Commissioner to a data controller or processor under Data Protection Act 2018 s142.
<b>information order</b>	(1) Court order requiring a debtor to attend court to explain why a debt has not been paid. (2) Court order when a data controller or processor has failed to comply with an <b>information notice</b> (Data Protection Act 2018 s145).
<b>information retrieval</b>	Process of finding stored data on a computer.
<b>information rights</b>	<b>Shareholders</b> In relation to shareholders, this is the right to receive a copy of: <ul style="list-style-type: none"><li>• every communication to shareholders;</li><li>• a copy of the annual report and accounts; and</li><li>• the right to receive a written copy of them (rather than have access to a website).</li></ul>

### **Data protection**

Rights of a data subject as set out in Data Protection Act 2018 from s93.

### **information-sharing arrangements**

In company law, arrangements made in respect of a **special register** allowing authorised persons to share and make use of information about registered charges on companies (Companies Act 2006 s893).

### **information systems**

Combination of **information technology** and the people who support and operate such technology

### **information technology (IT)**

Term used from 1958 for all aspects of computing and telecommunications.  
Between 1 April 2000 and 31 March 2004, small businesses could claim a 100% first year allowance for IT expenditure under Capital Allowances Act 2001 s45.

### **infra**

Latin: below

### **infrastructure charges**

Charges made under Water Act 1989 towards costs of providing sewerage services. Such charges are standard-rated for VAT and do not come within the scope of zero-rating for **sewerage** charges (VAT notice 701/16).

### **Infrastructure UK (IUK)**

Body announced in the June 2010 Budget to promote private sector investment in British infrastructure (Budget Red Book para 1.83). It has since been established as a unit within HM Treasury.

### **ingot**

Bar of a precious metal made to a predetermined size and purity for use as **bullion**.

### **Ingram**

Leading inheritance tax case on **lease carve out** schemes. Its full citation is *Ingram v Palmer-Tomkinson [1998]*.  
Under the scheme the transferor granted herself a lease from a trust she had set up. The House of Lords held that this was not a **gift with reservation**. Such a scheme has now been blocked by Finance Act 1999 s104.

### **in gremio legis**

Latin: in the bosom of the law.

### **in gross**

In law, description of a right which is not attached to land.

### **inhabited island**

In relation to a development plan for Scotland, "means an **island** permanently inhabited by at least one individual" (Islands (Scotland) Act 2018 s1(2)).

### **inherit**

Receive something from a person who has died.  
This happens either because the deceased stated in his or her will that the person should inherit, or because the deceased left no valid will and the inheritor is a close relation as defined in **intestacy** rules.

### **inheritance**

Something a person acquires from a person who has died.

## inheritance tax

### Definition

Tax paid on the estate of someone who has died. It can also be charged on transfers of funds into certain types of trust.

It was introduced in 1986 as a replacement for **capital transfer tax**.

A loan to pay inheritance tax may qualify for income tax relief under Income Tax Act 2007 s403.

The tax is collected under **Inheritance Tax Act 1984**.

### Main points

The main points of inheritance tax are:

- it is paid by individuals on death or on transfer to a relevant property trust
- on death, there is a nil rate band on which the estate is taxed at 0%, and the excess is generally taxed at 40%. The nil rate band has been £325,000 since 2010
- the rate of tax is reduced to 36% if at least one tenth of the estate is left to charity
- no inheritance tax is payable on money that passes to a husband, wife or civil partner, unless that person is not domiciled in the UK when the tax-free limit is the same as the nil rate band
- on the death of a widow, widower or bereaved civil partner, the nil rate band of the former partner may be increased to a figure up to double the nil rate band otherwise applying
- from 2017, there is a residence nil rate band that may also be claimed when a main residence, or proceeds from one, are passed to children or remoter descendants
- there are some transfers that are exempt, such as to charity or for public benefit
- a lifetime transfer may be added back to the estate if it was made up to seven years before death. Some of the gift may be relieved if made more than three years before death
- some lifetime gifts are not added back. This includes normal expenditure, gifts up to £3,000 per year, and up to £250 per 51imi per year
- there are special provisions for gifts with reservation, potentially exempt transfers and pre-owned assets
- a lifetime transfer to a trust may attract a 20% inheritance tax charge on amounts above the nil rate band, a ten-yearly charge of 6%, and an exit charge when the trust ends. Some types of trust are excluded from this provision. If the death rate of 40% subsequently applies, the 20% already paid is deducted
- quick succession relief may be claimed if a person dies within seven years of inheriting
- the tax is charged on a transfer of value
- the beneficiaries may be able to vary the terms of a will or intestacy under a deed of variation to an arrangement that is more tax-efficient
- businesses and farms may benefit from the 100% or 50% business property relief or agricultural property relief.

<b>Inheritance Tax Act 1984</b>	Act of Parliament originally enacted as Capital Transfer Tax Act 1984. It was renamed by Finance Act 1986 s100(1)(b).
<b>Inheritance Tax Direct Payment Scheme</b>	Scheme introduced from 31 March 2003 to allow inheritance tax to be paid from a bank account promptly. The personal representatives apply to HMRC for form IHT423. This is signed by the personal representatives and sent to the bank who will arrange payment without waiting for probate or letters of administration.
<b>inheritance tax undertaking</b>	In relation to capital gains tax on <b>works of art</b> , means "an undertaking under Chapter 11 of Part II or section 30 of [Inheritance Tax Act 1984]" (Taxation of Capital Gains Act 1992 s258(9)).
<b>inherited</b>	In relation to residence nil rate band for inheritance tax, this term is given a specific meaning in Inheritance Tax Act 1984 s8J as inserted by Finance (No 2) Act 2015 s9.
<b>inherited deferral amount</b>	Amount of pension entitlement a person can inherit from a deceased spouse. Provisions are set out in Pensions Act 2014 sch 5.
<b>inhibition</b>	In land law, an entry in the land register that has the effect of prohibiting dealing in the land until either a specific event happens or a further entry is made. An inhibition is often imposed when there is a dispute over the ownership of the land.
<b>in hoc signo vinces</b>	Latin: in this sign you will conquer. This legend has been engraved on Portuguese coins.
<b>in-house</b>	Description of an activity which is done within an organisation rather than from outside.
<b>in invitum</b>	In law, against a reluctant person
<b>initial</b>	Description of something which applies first or at the start.
<b>initial 6 periods</b>	In relation to corporation tax for oil industry and ring fence expenditure supplement, "means the first 6 accounting periods (in chronological order) for which the company claims supplement under this Chapter" (Corporation Tax Act 2010 s311(1)).
<b>initial allowance (IA)</b>	A capital allowance once allowed for certain forms of capital expenditure which provides a higher rate for the first year of ownership: <ul style="list-style-type: none"><li>• agricultural buildings qualified for a 20% initial allowance and 4% writing down allowance between 1 November 1992 and 31 October 1993, and for a 20% initial allowance and a 10% writing down allowance between 12 April 1978 and 31 March 1986</li><li>• dredging qualified for a 15% initial allowance and a 4% writing down allowance before 1 April 1986</li><li>• dwelling house let on assured tenancies qualified for a 75% initial</li></ul>

allowance from 10 March 1982, 50% from 14 March 1984 and 25% from 1 April 1985 to 31 March 1986, and a 4% writing down allowance for all years

- hotels qualified for a 20% initial allowance and 4% wda- between 12 April 1978 and 31 March 1986
- industrial buildings qualified for a 20% initial allowance between 1 November 1992 and 31 October 1993, and at various rates before 1 April 1986.

A form of initial allowance can be claimed for certain buildings under provisions of Capital Allowances Act 2001 s360G and 360H.

<b>initial capital</b>	Capital with which a business starts.
<b>initial charge</b>	Charge paid at the start of an investment plan.
<b>initial chargeable event</b>	First chargeable event of an <b>employee share ownership trust</b> , as defined in Finance Act 1989 ss69-71.
<b>initial contribution</b>	Sum paid by HMRC to start a child trust fund (Child Trust Funds Act 2004 s8).
<b>initial criteria</b>	The two factors considered by social security officers in deciding whether someone is eligible for a budgeting loan from the Social Fund.
<b>initial direct costs</b>	In accounting, costs incurred by a lessor in negotiating and otherwise setting up a lease (SSAP 21).
<b>initial extra accessory</b>	In the context of taxing company cars, a <b>qualifying accessory</b> which is a non-standard accessory and is available with the car when it is first made available to the employee (Income Tax (Earnings And Pensions) Act 2003 s126(2)).
<b>initial holding</b>	In relation to special tax provisions for certain non-UK residents holding 3½% war loan 1952, "means the holding held by the person at the beginning of the basis period" (Income Tax (Trading and Other Income) Act 2005 s154A(5)).
<b>initial investing period</b>	In relation to enterprise investment scheme, this term is defined in Income Tax Act 2007 s175A(2) as inserted by Finance (No 2) Act Sch 5. For venture capital trusts, the term is defined in Income Tax Act 2007 s280C(3) and s294A as 53inserted by Finance (No 2) Act Sch 6.
<b>initial levy</b>	Levy under Pensions Act 2004 s174.
<b>initially carried-forward debit</b>	In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DB(18).
<b>initial maintenance assessment (IMA)</b>	An assessment issued by the <b>Child Support Agency</b> as an interim measure while the proper figure is being calculated. The IMA is often a high figure, which can result in a large deduction from pay if a <b>child support order</b> has been served on the employee.

<b>initial margin</b>	<p>Payment that investors must make to a broker to trade on margin, as used when trading futures and contracts for difference.</p> <p>Initial margin is usually set as a percentage of the value of contracts being traded, such as a 20% deposit.</p>
<b>initial payment</b>	<p>In relation to capital allowances, "in the case of a plant or machinery lease, means a payment by the lessee —</p> <ul style="list-style-type: none"><li>(a) at or before the time when the lease is entered into, and</li><li>(b) in respect of the plant or machinery which is the subject of the lease"<p>(Capital Allowances Act 2001 s70YI(1)).</p></li></ul>
<b>initial period</b>	<p>Period of two years from when a company receives its <b>trading certificate</b> (Companies Act 2006 s598(2)).</p> <p>This term is used to state a period that restricts a public company from making certain arrangements relating to transfers for non-cash assets.</p> <p>For tax, the term applies to a period for which one tax provision (usually beneficial) applies. An example is given in Income Tax (Earnings And Pensions) Act 2003 s534 in relation to enterprise management incentive.</p>
<b>initial public offering (IPO)</b>	<p>First offering of shares in a company to the public. It is often known as a flotation.</p>
<b>initial recognition</b>	<p>The first time that an item is recognised in the accounts. FRS 102 requires that this be based on <b>historical cost</b> unless FRS 102 specifically requires <b>fair value</b> (FRS 102 section 2.46).</p>
<b>initial repairs</b>	<p>Repairs to an asset to bring it into useable condition.</p> <p>In general, such expenditure is treated as capital and not as revenue (<i>Law Shipping Co Ltd v IRC [1924] 12TC621</i>).</p>
<b>initial requirement</b>	<p>The requirement that a <b>public company</b> may not commence trade or borrow money until it has allotted share capital of at least the <b>authorised minimum</b> (Companies Act 2006 s765).</p>
<b>initial sales</b>	<p>First sales, particularly of a new product or service.</p>
<b>initial shareholders</b>	<p>The shareholders of the company at the time it is formed.</p> <p>Under Companies Act 2006 s9(4), details of these shareholders must be given when submitting the <b>memorandum of association</b>. The details to be given of the initial shareholders are set out in s10.</p>
<b>initial storage</b>	<p>In relation to oil and gas companies, this term is defined in Corporation Tax Act 2010 s356BB(5).</p>
<b>initial sum</b>	<p>First amount of money, particularly a small amount used to create a <b>trust</b> where a much larger amount is to follow later.</p>

<b>initial treatment</b>	In relation to oil and gas companies, this term is defined in Corporation Tax Act 2010 s356BB(7).
<b>initial yield</b>	Estimated yield of an investment fund when it is launched.
<b>injection</b>	Provision of new funds, usually for a specific purpose.
<b>injunction</b>	Order from a court requiring a person not to do something.
<b>in jure non remota causa, sed proxima spectatur</b>	Latin: in law the proximate, and not the remote cause, is to be regarded
<b>injuria</b>	Latin: legal wrong
<b>injuria non excusat injuriam</b>	Latin: one wrong does not justify another
<b>injurious affection</b>	Term used in valuing leasehold property. It refers to the compensation which is payable to the landlord for any adverse effect which a sale of the leasehold property has on other property owned by the landlord. Such loss could reflect lost opportunity for combined development, restricted site access and the opportunity to extend existing property.
<b>injury</b>	(1) In law, the infringement of a right, or harm caused to a person or property. (2) In relation to a provision relating to employment termination payments, the word "includes psychiatric injury, it does not include injured feelings" (Income Tax (Earnings and Pensions) Act 2003 s406(2) inserted by Finance (No 2) Act 2017).
<b>inland</b>	Within a country, not overseas.
<b>inland bill</b>	<b>Bill of exchange</b> "which is or on the face of it purports to be (a) both drawn and payable within the British Islands, or (b) drawn within the British Islands upon some person resident therein" (Bills of Exchange Act 1882 s4(1)).
<b>inland clearance depot (ICD)</b>	Export clearance facilities for goods imported or exported through the <b>Channel Tunnel</b> . The English ICD is at Ashford in Kent.
<b>inland clearance depot</b>	A place approved by HMRC to which goods imported in containers or vehicles may be removed for entry, examination and clearance; and at which goods intended for export in container or vehicles may be made available for export control.
<b>inland freight charges</b>	Charges for carrying freight within a country.
<b>inland navigation</b>	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).

<b>inland postage</b>	Charge for posting a letter to an address in the same country.
<b>Inland Revenue</b>	<p>Body charged with collecting direct taxes and other duties until it merged with Customs and Excise into HMRC in 2005.</p> <p>Inland Revenue was formed in 1849 from existing bodies going back to 1665.</p> <p>Many extant tax provisions still refer to Inland Revenue.</p>
<b>Inland Revenue Approved Mileage rate (IRAM)</b>	Rate published by Inland Revenue between 1996 and 2002 of the amount at which an employer may reimburse an employee for business use of the employee's car. At that rate, the employee neither incurs a tax liability nor may claim for the mileage cost. It was superseded by <b>Approved Mileage Allowance Payments</b> , which have been superseded by a reimbursement procedure.
<b>Inland Revenue Commissioner</b>	Member of the Board of Inland Revenue. They are now replaced by Commissioners of HM Revenue and Customs.
<b>Inland Revenue office</b>	"In relation to an employer, means the office of the Inland Revenue from which codes are normally issued to the employer" (PAYE Regulations SI 2003 No 2682 reg 2(1)).
<b>in limine</b>	Latin: on the threshold, at the outset.
<b>in loco parentis</b>	Latin: in the place of a parent.
<b>in malam partem</b>	Latin: in an unfavourable manner.
<b>inmate</b>	Term used in Taxes Management Act 1970 s14 to mean the equivalent of a <b>lodger</b> .
<b>in media res</b>	Latin: in the midst of the matter
<b>in misericordia</b>	Latin: at mercy.
<b>INN</b>	<b>International non-proprietary name</b> , of drugs.
<b>inn</b>	<b>Public house</b> that offers food, drink and overnight accommodation. An inn must accept anyone who needs such services, provided they are willing to pay, they behave and the inn has room. The innkeeper has a common law right of lien over the customer's luggage to secure payment.
<b>Inner House</b>	Part of the <b>Court of Session</b> in Scotland. It comprises the Lord President and seven other senior judges.
<b>Inner Six</b>	Six European countries of Belgium, France, Germany, Italy, Luxembourg and Netherlands that formed the European Coal and Steel Community in 1951, mainly as a means of preventing future European war. It was followed by



further treaties, eventually leading to the **European Union**.

**Inner Temple**

One of the **Inns of Court**. It is situated between the Strand and Embankment and was established in 1440.

**innocent explanation**

The Inspectors' Manuals repeatedly state that an innocent explanation for an event must be preferred to an assumption of illegality.

**in 57nomine**

Latin: in the name of.

**Innovate UK**

Committee of United Kingdom Research and Innovation (Higher Education and Research Act 2017 s92(1)).

**innovation condition**

In relation to enterprise investment scheme and other schemes, one of two conditions that must be met for a company to be a **knowledge-intensive company**.

The condition "is—

(a) where the issuing company is a single company, that—

(i) the issuing company is engaged in intellectual property creation at the time the relevant shares are issued, and

(ii) it is reasonable to assume that, within 10 years of the issue of the relevant shares, one or a combination of:

(a) the exploitation of relevant intellectual property held by the company, and

(b) business which results from new or improved products, processes or services utilising relevant intellectual property held by company

will form the greater part of its business. (Income Tax Act 2007 s252A(5) as inserted by Finance (No 2) Act Sch 5).

For venture capital trusts, the same definition is given in Income Tax Act 2007 s331A as 57inserted by Finance (No 2) Act 2015 Sch 6.

**innovative medical treatment**

"Means medical treatment for a condition that involves a departure from the existing range of accepted medical treatments for the condition" (Access to Medical Treatments (Innovation) Act 2016 s2(2)).

**inops consilii**

Latin: without advice.

**in pace**

Latin: in peace.

**in pais**

Latin: in the country.

**in pari causa potior est condition possidentis**

Latin: everyone may keep what he has got, unless and until someone can prove a better title.

**in pari delicto, potior est conditio possidentis**

Latin: where both parties are equally at fault, the condition of the possessor is better

<b>in pari materia</b>	Latin: in an analogous case.
<b>inpayment</b>	Payment into a bank account.
<b>in pectore</b>	Latin: in secret.
<b>in perpetuum</b>	Latin: for ever.
<b>in personam</b>	Latin: against the person. An act, proceeding, right or similar which relates to a particular person, as against an action which is <b>in rem</b> .
<b>in petto</b>	Italian: within the breast. This means in secret.
<b>in pleno</b>	Latin: in full.
<b>in posse</b>	In law, description of something which does not exist but which may exist
<b>in præsenti</b>	Latin: at the present time.
<b>in progress</b>	In relation to tax appeals in Scotland, this is defined in Revenue Scotland and Tax Powers Act 2014 s90(2).
<b>in propria persona</b>	Latin: in his own proper person.
<b>inputs</b>	Goods or services which have been acquired by a business. The VAT on inputs is <b>input tax</b> and may be offset against a trader's output tax.
<b>input tax</b>	VAT paid or payable by taxable persons on goods or services supplied to them (or acquired by them from another European Union (EU) Member State), which are used, or to be used, for the purpose of their business. VAT registered persons can reclaim input tax. Under Value Added Tax Act 1994 s24(1), input tax is: “(a) VAT on the supply to him [registered taxpayer] of any goods or services; (b) VAT on the acquisition by him from another member state of any goods, and (c) VAT paid or payable by him on the importation of any goods from a place outside the member states, being (in each case) goods or services used or to be used for the purpose of any business carried on or to be carried on by him”. VAT Notice 700 says that input tax “is the VAT you are charged on your business purchases and expenses, including: • goods and services supplied to you in the UK • goods you import from outside the EU • goods you acquire from a taxable person in another EU member state (see Notice 725 The Single Market) • goods you remove from a warehouse • any services supplied in the UK which you receive from abroad, and

- overheads and research and development”.

Following sub-sections provide further details.

<b>inquartation</b>	Process of refining <b>gold</b> which involves nitric acid. This acid does not dissolve gold, but does dissolve silver and base metals. This is the origin of the expression <b>acid test</b> .
<b>inquest</b>	Inquiry into death conducted by a <b>coroner</b> . It is an offence for an executor to dispose of a body to frustrate an inquest.
<b>inquiry office</b>	Office to which members of the public may go to have their questions asked, particularly such an office operated by HMRC.
<b>inquisitorial system</b>	System of court procedure whereby the court enquires into the truth rather than letting opposing advocates argue the matter. In Britain, the coroner's court is the only one to use this system, though it is more widely used in Europe.
<b>inquorate</b>	When a meeting does not have a <b>quorum</b> of members.
<b>INR</b>	<b>(1)</b> “So much of the basic profits for that period as do not consist of ring fence profits”, for corporation tax (Finance Act 2007 s3). <b>(2)</b> <b>ISO code</b> for Indian rupee.
<b>in re</b>	Latin: in the matter of
<b>in rem</b>	In law, an act, proceeding, right or similar which relates to the world at large, as opposed to one which is <b>in personam</b> , that is against a specific person.
<b>in rerum natura</b>	Latin: in nature; in the natural world.
<b>INRIX</b>	Organisation that analyses traffic data in more than 60 countries.
<b>insanity</b>	Defect of reason that can be a defence in criminal proceedings, as set out in <b>McNaghten rules</b> . For other purposes, various provisions of <b>mental health</b> law apply.
<b>inscription</b>	As a memorial to a dead person, the tax treatment is set out in Income Tax (Trading and Other Income) Act 2005 from s172ZA with effect from 1 March 2012.
<b>inshallah</b>	Arabic: if God will. This is a Muslim term.
<b>inshore fisherman</b>	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.
<b>insider</b>	Person who works in or closely with a business and therefore is in possession of sensitive or restricted information which is not known or available to the general public.

<b>insider buying</b>	Illegal purchase of shares by <b>insiders</b> contrary to the law.
<b>insider dealing</b>	Another term for <b>insider trading</b> .
<b>insider information</b>	Information gained by someone inside, or close to, a listed company which could confer a financial advantage if used to buy or sell shares, known as <b>insider trading</b> . It is illegal for a person who is in possession of inside information to buy or sell shares on the basis of that information.
<b>insider trading</b>	Illegal buying or selling of shares, or engaging in another financial trade, which is motivated by a desire to make a profit and exploits knowledge a person has as an <b>insider</b> . It is a criminal offence under Criminal Justice Act 1986. Most other developed countries have corresponding legislation.
<b>insignificant failure</b>	Failure to comply with a tax provision but where no adverse consequence follows. The term is particularly used for <b>personal pension input amounts</b> for a regular payment that is missed.
<b>in situ</b>	Latin: in its original place.
<b>insolvency</b>	<p><b>Definition</b></p> <p>Financial status of owing more than you own. It is not a legal status.</p> <p>In itself, insolvency imposes no restrictions on the individual or business and has no legal consequences. Insolvency only incurs legal consequences when a procedure such as <b>bankruptcy</b> or <b>liquidation</b> is started.</p> <p><b>Company insolvency</b></p> <p>“(1) A company is deemed unable to pay debts-</p> <p>(a) if a creditor to whom the company is indebted in a sum exceeding £750 then due has served on the company, by leaving at the company's registered office, a written demand requiring the company to pay the sum so due and the company has for 3 weeks thereafter neglected to pay the sum or to secure or compound for it to the reasonable satisfaction of the creditor, or</p> <p>(b) the execution or other process issued on a judgement, decree or order of any court in favour of a creditor of the company is returned unsatisfied in whole or in part, or</p> <p>(c) if it is proved to the satisfaction of the court that the company is unable to pay its debts as they fall due.</p> <p>(2) A Company is also deemed unable to pay its debts if it is proved to the satisfaction of the court that the value of the company's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities.”</p> <p>(Insolvency Act 1986 s123)</p> <p>The £750 limit became £5,000 from 1 October 2015.</p>

#### **Capital gains tax**

Capital gains tax implications are explained in Taxation of Capital Gains Act 1992 s66.

#### **Charities**

Relevant provisions are given in Charities Act 2011 from s113.

**insolvency law**

Branch of law which deals with insolvency.

**insolvency practitioner**

Accountant who specialises in insolvency work, usually a qualified accountant. The practitioner's work is governed by Insolvency Act 1986.

**Insolvency Service**

Agency of the Department for Department for Business, Innovation and Skills (or its predecessors) which oversees insolvencies.

**insolvent**

Financial status of owing more than you own.

**insolvent company**

For the purposes of disqualification of a director, the term means "a company that is or has been insolvent and a company becomes insolvent if—

(a) the company goes into liquidation at a time when its assets are insufficient for the payment of its debts and other liabilities and the expenses of the winding up,

(b) the company enters administration, or

(c) an administrative receiver of the company is appointed." (Company Directors Disqualification Act 1986 s15A(4)).

**in specie**

Latin: in form, in its actual state.

The term describes something which has the same nature as something else, and is not in an equivalent form. An example is where banknote are used in relation to a matter concerning banknotes.

**inspecting regulator**

Term used in Regulatory Enforcement and Sanctions Act 2008 s26A(3) as inserted by Enterprise Act 2016 s20.

**inspection**

The Treasury may order the police to conduct an investigation into HMRC under Commissioners for Revenue and Customs Act 2005 s27.

**inspection function**

In relation to trade between a **small business** and a **larger company**, this term is given a specific meaning in Regulatory Enforcement and Sanctions Act 2008 s26A as inserted by Enterprise Act 2016 s20.

**inspection of property**

When a court adjourns to a site to examine the subject matter of proceedings.

**inspection plan**

In relation to trade between a **small business** and a **larger company**, this term is given a specific meaning in Regulatory Enforcement and Sanctions Act 2008 s26A as inserted by Enterprise Act 2016 s20.

**inspection stamp**

Stamp or equivalent mark placed on goods to show that they have been inspected and found satisfactory.

**inspection**

Examination to satisfy a person as to the quality of something.

**inspector**

Person whose job it is to **inspect**, particularly a **tax inspector**.

<b>inspector of rail accidents</b>	Person appointed under Railways and Transport Safety Act 2003 s3(1) and answerable to the Chief Inspector of Rail Accidents.
<b>inspector of taxes</b>	Official of HM Revenue and Customs who is responsible for ensuring that individuals and businesses pay the correct amount of tax.
<b>inspector of weights and measures</b>	Official of a local authority whose job is to check weighing machines and goods sold in shops to ensure that they are of the correct weight or size.
<b>inspectorate</b>	The office of <b>inspector</b> , or inspectors viewed collectively.
<b>inspectors' manuals</b>	Guidance issued by Inland Revenue (now HMRC) to tax inspectors. For decades they were regarded as confidential. Between 1990 and 1996, they have been made progressively available, including on HMRC website: <a href="http://www.hmrc.gov.uk">www.hmrc.gov.uk</a> . Some parts of the manuals are withheld where these could be used for tax avoidance.
<b>INSPRU</b>	Prudential sourcebook for insurers, published by the Financial Services Authority.
<b>installed or assembled goods</b>	Goods where the supplier is obliged to install or assemble the goods, such as in providing a recording studio. When supplying such goods in another EU member state, the supplier must be registered in that state, unless that state operates a <b>simplified procedure</b> that allows the supplier to pay VAT without registering. The UK operates the procedure. Further details are given in VAT notice 725.
<b>instalment</b>	(1) Regular payment, such as of a loan or mortgage. (2) Part delivery of goods. Under Sale of Goods Act 1979 s31(1), a customer is not obliged to accept such an instalment unless this is specifically agreed.
<b>instalment delivery</b>	When ordered goods are supplied in more than one delivery. A consumer is not bound to accept instalment delivery under Consumer Rights Act 2015 s26(1).
<b>instalment option</b>	Option given in Inheritance Tax Act 1984 s227 allowing tax to be paid in ten annual instalments in defined circumstances.
<b>instalment option property</b>	HMRC term for property for which the <b>instalment option</b> has been exercised.
<b>Instalment Payments Regulations</b>	Corporation Tax (Instalment Payments) Regulations SI 1998 No 3175.
<b>instalment sale</b>	Sale for which payment is made in instalments.
<b>instant access</b>	In banking, description of accounts where the customer may draw money immediately without losing interest.

<b>instar omnium</b>	Latin: example of all the rest.
<b>in statu 63pupillari</b>	Latin: under guardianship.
<b>in status quo</b>	In the former position
<b>institorial</b>	Pertaining to an agent or factor.
<b>institute</b>	Society or organisation which represents a particular profession.

**Institute for Apprenticeships (IfA)**

Body established under Enterprise Act 2016 s22 and Sch 4.

It supervises the apprenticeship scheme from 1 April 2017 under the apprenticeship levy.

The body is renamed Institute for Apprenticeships and Technical Education by Technical and Further Education Act 2017 s1(1).

**Institute for Teaching**

Body formed on 2 November 2017 to provide training for teachers at all stages of their careers.

**Institute of Chartered Accountants in England and Wales (ICAEW)**

Professional body which regulates chartered accountants in England and Wales, and in some overseas areas. It was formed in 1880 and given its Royal Charter on formation.

ICAEW is the largest professional accounting body in Europe. It provides examinations and sets standards for its members, and provides advice and oversight of the profession.

The ICAEW was formed in 1870 as the Institute of Accountants from bodies formed earlier in the year.

It should be noted that it is the institute *in* England and Wales, and not *of*, as applies to the Irish and Scottish bodies.

**Institute of Chartered Accountants in Ireland (ICAI)**



Professional body which regulates chartered accountants in Northern Ireland and the Irish Republic. It was founded in 1888.

**Institute of Chartered Accountants of New Zealand**

Professional accounting body in New Zealand.

**Institute of Chartered Accountants of Scotland (ICAS)**

Professional body which regulates chartered accountants in Scotland. It is the oldest accountancy body, whose origins date back to 1853.



It should be noted that the name is “of” Scotland, and not “in” as for the English and Irish institutes.

Members use the designatory letters CA, and not ACA and FCA.

**Institute of Customer Service** “The independent, professional membership body for customer service” (website).

The Institute was founded in 1996 and formally incorporated in 1997.

**Institute of Financial Accountants (IFA)**

Professional body established in 1916 to set technical and ethical standards in accounting.

**Institute of Financial Planning (IFP)**

Professional body for financial planners established in 1986. On 1 November 2015, it merged with the Chartered Institute for Securities & Investment.

**Institute of Indirect Taxation (IIT)**

Professional body established in 1991 for specialists in indirect taxation. Members use the designatory letters AIIT and FIIT.

**Institute of Internal Auditors (IIA)**

Body established in 1941 as an international professional association for **internal auditors**. It provides certification, education, research and technical guidance.

**Institute of International Finance (IIF)**

Body established in 1983 in response to a current economic crisis. Its members include the main financial institutions of different countries.

“The Institute of International Finance is the global association of the financial industry, with close to 500 members from 70 countries. Its mission is to support the financial industry in the prudent management of risks; to develop sound industry practices; and to advocate for regulatory, financial and economic policies that are in the broad interests of its members and foster global financial stability and sustainable economic growth. IIF members include commercial and investment banks, asset managers, insurance companies, sovereign wealth funds, hedge funds, central banks and development banks.” (IIF website)

**Institute of Legal Executives (ILEX)**

“ILEX is the professional body representing around 22,000 qualified and trainee legal executives, and is recognised by the Ministry of Justice as one of the three core routes to becoming a qualified lawyer” (ILEX website).



<b>institutional investor</b>	<p>An organisation whose business includes regular investment in shares of companies.</p> <p>Examples include an insurance company, a pension fund, a charity, an investment trust, a unit trust, or a merchant bank.</p>
<b>institution of higher education</b>	<p>In relation to expenditure on research and development, this term is defined in Corporation Tax Act 2009 s1142(2).</p>
<b>instrument</b>	<p>Written document that has legal consequences, such as a will, deed or conveyance.</p>
<b>instrument of transfer</b>	<p>A document that transfers or transmits the ownership of shares to another person (Companies Act 2006 s755).</p>
<b>instrument of variation</b>	<p>Another name for a <b>deed of variation</b>.</p>
<b>insufficient economic substance condition</b>	<p>Term used for diverted profits tax and defined in Finance Act 2015 s110.</p>
<b>insufficient evidence</b>	<p>Direction that a judge may give to a jury that the evidence submitted does not meet the necessary standard required by law.</p>
<b>insufficiently resourced</b>	<p>Term used in Pensions Act 2004 s44(3) with regard to a <b>service company</b> which is provided with insufficient funds to meet its obligations under a final salary (or defined benefit) scheme.</p>
<b>insulation</b>	<p>As a form of energy-saving material, this may qualify for the reduced rate of VAT under Value Added Tax 1994 Sch 7A Group 2.</p>
<b>insurable</b>	<p>Description of something that may be insured.</p>
<b>insurable interest</b>	<p>The right to insure something. A person may take out insurance on someone else's life or someone else's property provided they can demonstrate that they would suffer loss if the insured risk happened. An employer may insure the life of a key employee, for example.</p> <p>The requirement for insurable interest in someone else's life is contained in Life Assurance Act 1774 s1. The amount insured may not exceed that interest (ibid s3).</p>
<b>insurance</b>	<p>An agreement under which individuals, businesses, and other organisations, in exchange for payment of a <b>premium</b>, are guaranteed <b>indemnity</b> for losses resulting from certain <b>risks</b> specified in a <b>policy</b>.</p> <p>Where the risk is certain, such as a policy paying on death at any time, the term <b>assurance</b> is more accurate, though this distinction is not always made.</p> <p>The policyholder must have an <b>insurable interest</b>.</p> <p>Insurance policies may be liable for <b>insurance premium tax</b>.</p> <p>For value added tax, insurance is an exempt supply.</p> <p>Insurance premiums are allowed as a business expense under the normal "wholly and exclusively" rules as explained in the Inspector's Manual from BIM45501. Relief may be given in full even when the policy offers "new</p>

for old" replacement.

Life insurance policies once qualified for income tax relief.

There are detailed provisions in Income and Corporation Taxes Act 1988 on how to tax insurance companies.

The capital gains tax provisions are given in Taxation of Capital Gains Act 1992 from s204.

**insurance activities**

Term used in relation to the bank levy, for which purposes it is defined in Finance Act 2011 Sch 19 para 13(4)).

**insurance business transfer scheme**

Scheme by which insurance business is transferred between insurance companies. The term is used in Income and Corporation Taxes Act 1988 s444AD which deals with the tax consequences.

**insurance claim**

Claim for compensation made under an insurance policy.

There is a statutory requirement for insurance claims to be paid within a reasonable time under Insurance Act 2015 s13A as inserted by Enterprise Act 2016 s28.

**insurance company**

*Tax law*

Company which sells insurance policies.

Their specific corporation tax provisions are given in Corporation Tax Act 2009 from s386.

Provisions for mutual insurance companies are given in Corporation Tax Act 2009 s634.

A special tax definition is given in Corporation Tax Act 2009 s133I as inserted by Finance (No 2) Act 2015 s18.

*Company law*

For company law, the term "means —

(a) an **authorised insurance company**, or

(b) any other person (whether incorporated or not) who —

(i) carries on insurance market activity, or

(ii) may effect or carry out contracts of insurance under which the

benefits provided by that person are 66exclusively or primarily benefits in kind in the event of an accident to or breakdown of a vehicle" (Companies Act 2006 s1165(3)).

**insurance contract**

Contract between an insurance company and a policy holder.

**insurance cover**

The amount and extent of protection an insurance policy holder has against the risk of suffering a loss from an insured peril.

**Insurance Mediation Directive**

EC directive 2002/92/EC of 9 December 2002 on insurance mediation.

**insurance policy**

Document which sets out the terms of an **insurance contract**.

The tax implications for sums recovered under a policy are set out in Corporation Tax Act 2009 s103 and Income Tax (Trading and Other Income)

Act 2005 s106.

**insurance premium** Amount a person pays to secure an **insurance contract**.

**insurance premium tax** A direct tax on insurance premiums, introduced on 1 October 1994.  
The tax has been charged at these standard rates:

From	Standard rate
<b>1 June 2017</b>	12%
<b>1 October 2016</b>	10%
<b>1 November 2015</b>	9.5%
<b>4 January 2011</b>	6%
<b>1 July 1999</b>	5%
<b>1 April 1997</b>	4%
<b>1 October 1994</b>	2.5%

~

From 1 April 1997 there has been a higher rate which has been the same as the standard rate of VAT. This is charged on insurance for mechanical breakdown of products, travel insurance, and insurance sold with TV or car hire. This is to prevent VAT being avoided on the underlying supply by passing part of the charge to insurance.

There are many exceptions where certain forms of insurance are exempt from the tax. These include re-insurance, life insurance and export guarantee insurance.

The insurance company or Lloyd's syndicate is required to register within 30 days of becoming liable.

The law is contained in Finance Act 1994 ss48-74 and Insurance Premium Tax Regulations SI 1994 No 1774. Both have been amended and supplemented.

Insurance premium tax is allowable as a business deduction if the insurance to which it relates is deductible (Inspector's Manual at BIM45595).

### **Insurance Prudential Sourcebook**

"The Prudential Sourcebook for Insurers made by the Financial Services Authority under the Financial Services and Markets Act 2000" (Income and Corporation Taxes Act 1988 s431(2)).

**insurance rates** Amount of **insurance premium** required to provide a defined amount of **insurance cover**. This is usually expressed as an amount per £100 of cover.

**insurance reserve** Sum set aside by a business to pay for its own insurance claims, usually to an upper limit.

For tax purposes, these are regarded as normal reserves. This means that transfers to and from the reserves are disregarded for tax purposes. The matter is discussed in the Inspector's Manual at BIM 45565.

### **insurance special purpose vehicle**

"Any undertaking which assumes risks from insurance or reinsurance undertakings and which fully funds its exposure to such risks through the

proceeds of a debt issue or some other financing mechanism where the repayment rights of the providers of such debt or other financing mechanism are subordinated to the reinsurance obligations of the undertaking" (Income and Corporation Taxes Act 1988 s431(2)).

**insure**

Take out a contract which pays compensation if a person suffers a loss.

**insured items service**

"Means a service of conveying postal packets from one place to another by post which, in the event of the theft or loss of or damage to the packets, provides for the payment of an amount up to the value of the packets as declared by the sender" (Postal Services Act 2011 s32(1)).

**insurer**

Insurance company.

For child trust funds, the term is given a specific meaning in Child Trust Funds Regulations SI 2004 No 1450 Sch para 2(6).

**Insurers' Infrastructure Investment Forum**

Body proposed in Autumn Statement 2011.

"The Government will set up an Insurers' Infrastructure Investment Forum with the Association of British Insurers to explore ways to ensure that the capital markets continue to provide an efficient and attractive source of debt finance for infrastructure projects. This will include addressing the impact of potential regulatory changes in the insurance sector". (Autumn Statement 2011).

**intaglio**

Figure cut into any stone, gem or other substance.

It can be used in printing to produce a raised surface. This is one of the security features on a banknote.

**intangible**

Without shape or form.

The term is used in accounting to describe assets which are identifiable and whose value is measurable but which do not have a physical form, such as copyright and know-how.

**intangible asset**

Asset which has no physical form, such as copyright, patent or goodwill.

"Non-financial fixed assets that do not have a physical substance but are identifiable and are controlled by the entity through custody or legal rights" (FRS 10 para 2).

For corporation tax purposes, the term "has the meaning it has for accounting purposes (and includes an internally-generated intangible asset)" (Corporation Tax Act 2009 s712(1)). "In particular, intangible asset includes **intellectual property**" (Corporation Tax Act 2009 s712(2)).

For capital gains tax purposes, the term is defined as

"(a) intangible or incorporeal property and includes a thing in action, or

(b) anything that under the law of a country or territory outside the United Kingdom corresponds to or is similar to an intangible property or incorporeal property or a thing in action" (Taxation of Capital Gains Act 1992 s275A(2)).

<b>intangible fixed asset (IFA)</b>	<p><b>Intangible asset</b> which is accounted for as a <b>fixed asset</b>, though strictly recognised as an <b>intangible item</b> in the accounts.</p> <p>In so far as an intangible asset is quantified and accounted for at all, it will almost always be a fixed asset. Examples include goodwill, copyright and brand names.</p> <p>For corporation tax, the term "in relation to a company, means an <b>intangible asset</b> acquired or created by the company for use on a continuing basis in the course of the company's activities" (Corporation Tax Act 2009 s713(1)). Section 713(2) explains that an option or other right to acquire an IFA is itself an IFA.</p> <p>The corporation tax treatment of such assets is contained in Corporation Tax Act 2009 Part 8 (from s711). Broadly, the tax treatment follows the accounting treatment, particularly in the distinction between capital and revenue. <b>Goodwill</b> may be amortized at 4% on a straight line basis. <b>Know-how</b> and <b>patents</b> have their own capital allowance rates.</p> <p><b>Rollover relief</b> may be claimed for an intangible asset which is replaced up to 12 months before or 3 years after disposal (Taxation of Capital Gains Act 1992 s156ZA).</p> <p>For derivatives, the definition is given in Corporation Tax Act 2009 s710.</p>
<b>intangible income</b>	<p>Benefit donated to a church or other charity, other than cash or a tangible asset, such as free use of office space or free printing.</p> <p>The general accounting rule is that such income is only included as a donation if the donor incurred expense in providing it. So temporary use of surplus space would not be included, but where a business paid for space to be available, that would be included.</p>
<b>intangible item</b>	<p>Item that has the nature of an <b>intangible fixed asset</b>.</p> <p>~</p> <div style="border: 1px solid black; padding: 5px;"><p>An intangible item may meet the definition of an asset when access to future economic benefits that it represents is controlled by the reporting entity, either through custody or legal protection. However intangible assets fall into a spectrum ranging from those that can readily be identified and measured separately from goodwill to those that are essentially very similar to goodwill. The basis principles set out for initial recognition, amortisation and impairment of intangible assets that are similar in nature to goodwill are therefore closely aligned with those set out for goodwill.</p><p><i>FRS 10. Summary para c.</i></p></div>
<b>intangible property</b>	<p>In law, property that has no physical existence, such as choses in action and incorporeal hereditaments. In accounting, the term <b>intangible asset</b> is used.</p>
<b>intelligence service</b>	<p>Government body that provides intelligence to the security services.</p>
<b>intended for broadcast</b>	<p>Condition of television tax relief, as explained in Corporation Tax Act 2009 s1216CA.</p>

<b>intended theatrical release</b>	For the purposes of corporation tax relief on film production, this term is defined in Corporation Tax Act 2009 s1196.
<b>intent test</b>	Test introduced in July 2018 by the <b>International Ethics Standards Board for Accountants</b> in its revised code of ethics. It relates to the extent to which an inducement or hospitality offered to an accountant may be considered unethical.
<b>integer</b>	Whole number, with no decimal or fraction. So 47 is an integer, 3½ and 4.7 are not.
<b>integral features</b>	<p>Term used from 1 April 2008 for parts of a building that attract a writing down allowance (currently at 8%) and are part of the <b>special rate pool</b>, as against the normal capital allowance for plant and machinery (Capital Allowances Act 2001 from s33A).</p> <p>Integral features include thermal insulation, electrical systems, cold water systems, space or water heating, air cooling, air purification, lifts, escalators, moving walkways, external solar shading.</p> <p>Expenditure cannot be offset against profits subject to corporation tax (Corporation Tax Act 2009 s263).</p>
<b>integrated accounts</b>	Accounting records which perform the functions of both <b>financial accounts</b> and <b>management accounts</b> . This means that the records show how much profit is being made, and where it is being made.
<b>Integrated Latin American Market (MILA)</b>	The stock exchanges of Mexico, Colombia, Chile and Peru working together.
<b>integrated system</b>	In accounting, record keeping that serves the needs of both financial accounting and management accounting.
<b>integration</b>	Act of bringing several things together, particularly bringing several businesses together under single control.
<b>integration fund</b>	Term given a specific meaning in Care Act 2014 s121 to finances that provide both health services, and care and support.
<b>integrity</b>	<p>In auditing, "prerequisite for all those who act in the public interest" (APB ES 1 para 7).</p> <p>This para goes on to say that it requires "related qualities such as fairness, candour, courage, intellectual honesty and confidentiality".</p> <p>"Integrity is putting the obligations of public service about your own personal interests" (Civil Service values).</p> <p>For tax professionals, "a member must act honestly in all his dealings with his clients, all tax authorities and other interested parties, and do nothing knowingly or carelessly that might mislead either by commission or omission" (Professional Conduct in Relation to Taxation. May 2015).</p>

- Intel** US-based multinational corporation that makes widely used computer chips. It was founded in 1968 and created the first microchip in 1971.
- intellectual property (IP)** **Copyright, patents, technical designs, trade marks, know-how** and similar. It is an **intangible asset**.  
For corporation tax, the term is defined as as meaning —  
“(a) any patent, trade mark, registered design, copyright or design right, plant breeders’ rights or rights under section 7 of the Plant Varieties Act 1997,  
(b) any right under the law of a country or territory outside the United Kingdom corresponding or similar to a right with paragraph (a),  
(c) any information or technique not protected by a right within paragraph (a) or (b) but having industrial, commercial or other economic value, or  
(d) any licence or other right of anything within paragraph (a), (b) or (c)”  
(Corporation Tax Act 2009 s712(3)).  
For income tax in relation to shares in a **research institution spin-out company**, the term is defined in Income Tax (Earnings And Pensions) Act 2003 s456.  
Customs may seize goods that infringe trade marks and copyright under Goods Infringing Intellectual Property Rights (Customs) Regulations SI 2004 No 1473 (as amended). These rights are explained in Customs notice 34.  
In relation to deduction of income tax at source, the terms “means —  
(a) copyright of literary, artistic or scientific work,  
(b) any patent, trade mark, design, model, plan, or secret formula or process,  
(c) any information concerning industrial, commercial or scientific experience, or  
(d) public lending right in respect of a book”  
(Income Tax Act 2007 2007 s907(1) as replaced by Finance Act 2016 s40).
- Intellectual Property Office (IPO)**  
Part of the Department for Business, Innovation and Skills that deals with patents and other forms of intellectual property.
- intelligence service**  
For the purposes of data protection, “means —  
(a) the Security Service;  
(b) the Secret Intelligence Service;  
(c) the Government Communications Headquarters”  
(Data Protection Act 2018 s30(7)).
- intelligent telephony automation (ITA)**  
Automated telephone-answering service that requires callers to listen to (often irrelevant) messages and press buttons to select the correct service.  
HMRC adopted ITA in November 2013 which was modified in July 2014.

<b>intended for supply</b>	For video games tax relief, this term is defined in Corporation Tax Act 2009 s1217CA.
<b>intending supplies</b>	Supplies a person plans to make in the course of a trade. A business may register for VAT on the basis of intending supplies without having to wait until actual supplies start.
<b>intending trader</b>	Person or business that intends to make supplies. Such a person may register for VAT before starting to make supplies.
<b>intention</b>	In law, the state of mind of one who brings about a consequence. In criminal law, it is one of the main forms of <b>mens rea</b> . In tax prosecutions, innocent intention can reduce or avoid a penalty.
<b>intention of testator</b>	Legal principle used to interpret a will, as evidenced in many court cases. If a testator left money to "Mother" and it can be shown that he referred to his wife, she will be the beneficiary.
<b>intentions of Parliament</b>	<p>What Parliament intended when drafting a law.</p> <p>For tax, such intentions are usually irrelevant as only the wording of the Act is considered. This was graphically illustrated in the case <b>Pepper v Hart</b> where the courts repeatedly ruled against the clear intentions of Parliament until the case reached the House of Lords.</p> <p>The term "intentions of Parliament" however was used on HMRC Guidance Note 10 regarding <b>bank payroll tax</b>. This represented a departure from normal tax practice.</p>
<b>intention to contract</b>	When a party expresses a desire to make a contract. In itself, such intention does not create a contract.
<b>inter-</b>	Prefix which means between, as in inter-bank or international.
<b>inter alia</b>	Latin: among others, among other things.
<b>inter alios</b>	Latin: among other persons.
<b>Inter-American Bank</b>	Securities issued by this bank are regarded as having been issued outside the UK (Taxation of Capital Gains Act 1992 s266).
<b>inter arma leges silent</b>	Latin: between armies the law is silent
<b>interbank</b>	Between banks.
<b>interbank clearing</b>	Process of clearing cheques and other payments between two banks.
<b>interbank loan</b>	Loan from one bank to another.
<b>interbank market</b>	Professional markets between banks. They are sometimes referred to as wholesale markets.



<b>interbank rate</b>	Another name for <b>LIBOR</b> .
<b>inter branch clearing</b>	Process of clearing cheques and other payments between two branches of the same bank.
<b>intercept</b>	In co-ordinate geometry, the point where two lines intersect on a graph. This usually indicates an optimal solution to what is being plotted.
<b>intercepted goods</b>	For Customs, goods where Customs has taken temporary possession while it investigates whether any relevant law has been breached.
<b>Inter-Club New York Produce Exchange Agreement</b>	An agreement made on 1 September 1996 dealing with claims in respect of maritime cargo to clubs that are members. The agreement replaces one of 1984.
<b>intercompany</b>	Between companies.
<b>intercompany dealings</b>	Transactions between companies.
<b>interdealer broker (IDB)</b>	Agent or intermediary who receives commission for matching buyers and sellers.
<b>interesse termini</b>	Latin: interest of a term. This term was used to mean the date when a lessee is deemed to have started the tenancy. This doctrine was abolished by Law of Property Act 1925 s149.
<b>interest</b>	(1) Sum of money paid in relation to a <b>principal</b> , such as a charge for borrowing money under a <b>loan</b> . This is further explained in <b>interest on principal</b> . (2) Rights over property which are less than full ownership. This definition is further explained in <b>interest in property</b> .  "In relation to investment deposits, includes any bonus or other payment, whether payable annually or otherwise, which constitutes income derived from the whole or any part of the deposits" (National Savings Bank Act 1971 s27).
<b>interest (on loans)</b>	The percentage return on <b>capital</b> required by the lender (usually expressed as a percentage per annum).
<b>interest and dividends</b>	In accounting, an item in the <b>statement of cash flows</b> . The accounting treatment is set out in FRS 102 sections 7.14-7.16.
<b>interest bearing</b>	Description of any security which pays interest, as against paying dividends or providing no income.
<b>interest bearing deposits</b>	Deposit in a bank or similar institution which pays interest on the deposit.

<b>interest charges</b>	Charges made on a loan or similar which are calculated according to the amount borrowed and length of time for which it is borrowed.
<b>interest cover</b>	Ability to pay interest, usually expressed as a percentage of available earnings divided by interest payable.
<b>interest cover ratio</b>	In relation to buy-to-let properties, the amount of rent received expressed as a percentage of interest paid by the owner. In 2015, the Bank of England suggested that this be used as a measure to restrict loans for such properties.
<b>interested person</b>	For council tax, a person who is liable to jointly liable, to pay the tax and who therefore has the right to ask for a property to be revalued.
<b>interested third party</b>	Person who has a beneficial interest in a bank account from which HMRC has seized funds (Finance (No 2) Act 2015 Sch 8 para 8(11)).
<b>interest elasticity of demand for investment</b>	In economics, the responsiveness of a particular investment to changes in interest rates.
<b>interest free</b>	Description of a product or situation when interest is not charged, particularly when it would normally be charged.
<b>interest free period</b>	Period when a lender offers to provide money without charging interest.
<b>interest grant</b>	Government grant to assist shipbuilding under Industry Act 1972 s10A as inserted by Industry Act 1975 s25.
<b>interest held exclusively with a view to subsequent resale</b>	"An interest for which a purchase 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 an interest that was acquired as a result of the enforcement of a security, unless the interest has become part of the continuing activities of the group or the holder acts as if it intends the interest to become so" (FRS 2 para 11).
<b>interest held on a long-term basis</b>	"An interest which is held other than <i>exclusively with a view to subsequent resale</i> " (FRS 2 para 10, italics from FRS).
<b>interest in a company's shares</b>	A right in the shares of a company other than ownership. The term is defined in Companies Act 2006 s820. For a <b>public company</b> , there are special provisions for such an interest set out in Companies Act 2006 ss791-796. There are no such provisions for private companies.
<b>interest in a settlement</b>	The capital gains tax implications are given in Taxation of Capital Gains Act 1992 from s169F.

**interest in expectancy** Term used in Finance Act 1969 s38 in relation to estate duty. The provisions has now been repealed by Finance Act 1975.

**interest in land**

**Long funding leases**

“Means —

(a) the fee simple estate in the land or an agreement to acquire such an estate,

(b) in relation to Scotland, the interest of the owner or an agreement to acquire such an interest,

(c) a lease,

(d) an easement or servitude or an agreement to acquire an easement or servitude, and

(e) a licence to occupy land”

(Capital Allowances Act 2001 s175(1)).

**Venture capital trusts**

For the purposes of excluding property development from the tax provisions for venture capital trusts, term which is defined as:

“(a) any estate, interest or right in or over the land, including any right affecting the use or disposition of land, or

(b) any right to obtain such an estate, interest or right from another which is conditional on the other's ability to grant it”. (Income Tax Act 2007 s307(3)).

Section 307(4) excludes from this definition interests that arise from mortgages, secured loans and similar.

**Other definition**

Another definition for a different purpose is given in Estate Agents Act 1979 s2.

**interest in possession (IIP)**

Type of trust where a beneficiary has an immediate right either to trust income or to enjoy a property, and another beneficiary has other rights. A common examples is when beneficiary A receives the interest from a capital sum, and on A's death the capital passes to B. Another common example is when beneficiary C is allowed to live in a property rent-free for the rest of C's life; the house passes to D on C's death.

In these examples, A and C are the **life tenant**. They have the interest in possession. It should be noted that the right to the income must exist *before* the income arises. If a decision is made as to who should receive income already arisen, the trust is **discretionary**.

B and D are the **remaindermen**. They are said to have a **reversionary interest**.

There have been many cases on whether an IIP trust exists.

It is a requirement that all beneficiaries in an IIP trust are named. It is not sufficient merely to identify them, such as by saying “my grandchildren”.

**interest in property**

Rights or interest that a person may have in property that fall short of ownership.

This includes **interest in a company's shares, interest in a settlement,**

and **interest in possession**.

For securities provided as part of employment income, "interest" is defined as "an interest in them [securities] less than full beneficial ownership and includes an interest in proceeds of their sale, but does not include a right to acquire them" (Income Tax (Earnings And Pensions) Act 2003 s420(8)).

**interest in settled property**

"Means any interest created by or arising under a settlement" (Taxation of Capital Gains Act 1992 Sch 4A).

The rest of the Schedule sets out the tax provisions for the disposal of such an interest and of the deemed disposal of underlying assets.

**interest in shares**

Another term for **interest in a company's shares** (Companies Act 2006 s820).

**interest on late payment**

A statutory right for late payment of an invoice properly issued in the course of business.

**interest on late payment of tax**

This is charged under various provisions of tax law.

For accounting periods from 1 July 1999, such interest payments are allowable as a deduction from corporation tax. They are brought within the scope of **loan relationship**.

For previous periods, interest was not tax deductible under the provisions of Taxes Management Act 1970 s90(1).

**interest on principal**

Sum paid to borrow money, known as **interest payable**, or received for lending or depositing money, known as **interest receivable**.

Interest is always treated as a revenue item and never as capital (Income Tax (Trading And Other Income) Act 2005s29).

**interest on tax**

Additional charge automatically imposed when tax is paid late.

**interest only**

Description of a mortgage method, where the borrower only pays the interest each month. This differs from a **repayment mortgage** where some **capital** is also repaid each month.

**interest only mortgage**

Mortgage where only the interest on the debt is repaid, leaving the capital unpaid though often reducing in real terms through inflation.

**interest payable**

In accounting, interest that is due on loans in an accounting period. This usually requires an accrual from the amount actually paid in the period.

**interest payment day**

In relation to the **accrued income scheme**, this term is defined in Income Tax Act 2007 s672.

**interest period**

In relation to the **accrued income scheme**, this term is defined in Income Tax Act 2007 s673.

**interest rate**

A percentage which determines how much interest is charged on a loan or earned on an investment.

<b>interest rate contract</b>	<p>“Means —</p> <p>(a) a derivative contract whose underlying subject matter is, or includes, includes rates, or</p> <p>(b) a swap contract in which payments fall to be made by reference to a rate of interest”</p> <p>(Income Tax Act 2007 s809FZZ(1) as inserted by Finance Act 2016 s37).</p>
<b>interest rate futures</b>	<p>Futures contracts traded on fixed income securities, such as government bonds.</p>
<b>interest rate in a lease</b>	<p>Interest rate that is implicit in a lease (SSAP 21).</p>
<b>interest rate margin</b>	<p>Difference between the rate of interest a financial institution pays on money borrowed and money deposited. This is also known as the <b>turn</b>.</p>
<b>interest rate swap</b>	<p>Agreement between two organisations to exchange borrowings. This often happens when one loan is at fixed interest and the other at variable interest. Such a swap is also known as a <b>pure vanilla swap</b>.</p> <p>There are two elements to an interest rate swap: the loan agreement and the sawp agreement. The latter has caused concerns. In 2014, there were complaints that banks were marketing such products to small businesses and individuals in ways that suggested they were safer and more appropriate than was so.</p>
<b>interest receivable</b>	<p>In accounting, the amount of interest earned in the accounting period on loans made by the entity. This usually requires an accrual from the amount actually received.</p>
<b>interest reipublicae ne maleficia remaneant impunita</b>	<p>Latin: it is a matter of public concern that wrongdoings are not left unpunished</p>
<b>interest reipublicae ne sua re quis male utatur</b>	<p>Latin: it concerns the state that no one should make a wrongful use of his property.</p>
<b>interest reipublicae ut sit finis litem</b>	<p>Latin: it concerns the state that lawsuits be not protracted</p>
<b>interest yield</b>	<p>Yield on a fixed interest investment.</p>
<b>interested party</b>	<p>Person or company with a financial interest in a company, such as a lender or shareholder.</p>
<b>interest-only mortgage</b>	<p>Mortgage where regular payments are only made of interest leaving the whole principal to be repaid.</p>
<b>interest period</b>	<p>For stock lending, this is given a specific meaning in Income Tax Act 2007 s597(4).</p>

**interfering with trade or business**

Deliberately interfering with the trade or business of another person by unlawful means. It is a **tort** for which legal proceedings may be brought.

**inter-group transfer**

Transfer of an asset between companies in the same **group**. The tax treatment is explained in Taxation of Capital Gains Act 1992 s19.

**interim**

(1) Description of a financial provision which applies part of the way through the year.

(2) Description of a licence, order or similar which is issued on a temporary basis until the full equivalent can be issued.

**interim accounting period**

In relation to provisional entitlement to film loss relief, the term is defined in Corporation Tax Act 2009 s1212(1).

**interim accounts**

Accounts prepared part way through the year.

The extent to which they may be used to justify a **dividend** is set out in Companies Act 2006 s838.

**interim authority notice**

In relation to licensed activities, a notice which may be served on a local authority on the death, incapacity or insolvency of a licence holder which allows a person to act as a temporary replacement for the licence holder (Licensing Act 2003 s47).

**interim bonus**

Bonus declared by an life insurance company when the maturity date or the death of the insured occurs between the normal dates for declaring bonuses.

**interim certificate**

In relation to provisional entitlement to film loss relief, the term is defined in Corporation Tax Act 2009 s1212(1).

**interim charging order**

Court order which prevents property being sold which may be subject to a charging order.

**interim claim in advance**

In relation to life assurance premium relief, the term is defined in Income Tax (Life Assurance Premium Relief) Regulations SI 1978 No 1159 para 6(1)).

**interim deliverable**

In **project management**, term for a measurable stage in providing **project deliverable**. The use of interim deliverables is a means of ensuring that the project is being progressed properly.

**interim designation**

Order that may be made by the Treasury against a suspected terrorist under Terrorist Asset-Freezing etc Act 2010 s6. Such an order lasts for 30 days.

**interim dividend**

Dividend payable on the basis of part of the year's trade, often the first six months.

A company may only pay an interim dividend if this is allowed for in the articles of association. Old articles may prevent such a payment. This makes the dividend illegal which can have tax consequences.

<b>interim financial statement</b>	Financial statement which covers a shorter period than a year, usually the first or last six months of such a year.
<b>interim freezing order</b>	<p>Order that may be made by the High Court which has made an <b>unexplained wealth order</b> against an individual and where the Court considers it necessary to avoid the risk that any recovery of property may be frustrated. Such an order lasts for 48 hours, excluding weekends and public holidays</p> <p>The law is Proceeds of Crime Act 2002 s362J as inserted by Criminal Finances Act 2017 s2.</p>
<b>interim gender recognition certificate</b>	Provisional certificate issued to a person who has applied for re-registration of their sex under Gender Recognition Act 2004.
<b>interim holder</b>	Person to whom the original owner of shares has transferred them under a repo contract. The interim holder is not entitled to tax credits on a distribution under Income Tax Act 2007 s593.
<b>interim measures</b>	In competition law, temporary sanctions that the European Commission may impose on a business that appears to be breaching European competition law.
<b>interim order</b>	In an IVA, temporary protection from creditors while a formal IVA is being prepared.
<b>interim payment</b>	Payment made either as a provisional payment (such as in a legal judgment) or payment of an <b>interim dividend</b> .
<b>interim periodical payments order</b>	Order that may be made against one partner in a divorce to be paid to the other, pending a full determination.
<b>interim receiver</b>	<p>(1) Receiver appointed to deal with the affairs of an insolvent person until a bankruptcy order is made.</p> <p>(2) Temporary receiver of seized goods, whose powers are set out in Proceeds of Crime Act 2002 s247.</p>
<b>interim receiving order</b>	Order made under Proceeds of Crime Act 2002 s246 to seize property.
<b>interim relief</b>	<p><b><i>Employment law</i></b></p> <p>Under employment law, an order which may be made by an employment tribunal requiring an employee to be paid his normal wages until a case is heard. An application for this relief must be notified to the tribunal within <i>seven days</i></p> <p>This relief may only be sought for dismissal arising from:</p> <ul style="list-style-type: none"><li>• whistle blowing;</li><li>• health and safety representative work;</li><li>• accompanying a colleague at a discipline or grievance hearing;</li><li>• acting as a worker's representative in various matters;</li><li>• for membership or involvement in trade union matters.</li></ul>

**Annual tax on enveloped dwellings**

The term is defined in Finance Act 2013 s100.

<b>interim rent</b>	Rent that a court can order a tenant to pay when the tenant has given notice to quit and the tenant has applied for a new tenancy.
<b>interim reports</b>	Financial statements issued in the period between annual reports, usually half-yearly or quarterly.
<b>interim results</b>	Results for a company for a period of less than a year, typically for six months.
<b>Intermarket Surveillance Group (ISG)</b>	Organisation that provides a framework for exchanges to share information to detect market abuse. It was established in 1983.
<b>intermediary</b>	<p>(1) In financial planning, a person or organisation that offers advice and arranges policies for clients. Under UK regulations, intermediaries must be either a <b>tied agent</b>, whereby they represent only one company in the case of life business or a limited number of companies for general business, or an <b>independent agent</b>, whereby there is no limit on the number of companies with which they can deal.</p> <p>(2) In taxation of employees, a third party who engages the services of a worker, as defined in Income Tax (Earnings And Pensions) Act 2003 s49(1)(b).</p>
<b>intermediate area</b>	The term used for an area requiring particular assistance for employment under Local Employment Act 1972 s1. This provision was repealed by Development Act 1982 s19 and Sch 2.
<b>intermediate debt</b>	Debt which must be repaid in four to ten years' time.
<b>intermediate payment arrangement</b>	Form of financial arrangement under <b>immediate payment arrangements</b> , as explained in FRS 102 from section 9.34.
<b>intermediate supplier</b>	<p>A supplier (B) who provides goods to C on the instructions of A.</p> <p>For all legal, accounting and tax purposes, A is the customer of B. In this example, B is not concerned with the relationship between A and C.</p> <p>For VAT purposes, there are some special provisions when A, B and C are in different EU member states, an arrangement known as <b>triangulation</b>. The intermediate supplier must be registered in the member state of C unless he can use a simplified procedure.</p> <p>Details are set out in Value Added Tax Act 1994 s14, and explained in VAT notice 725.</p>
<b>intermodal container</b>	Another name for a <b>transport container</b> .
<b>internal audit</b>	<p>Audit by the company's own employees.</p> <p>The matter is covered by International Standard on Auditing ISA 510.</p>



- internal auditor** Person employed by an organisation to audit its finances.  
The appointment of an internal auditor does not usually avoid the need to appoint an **external auditor** but it can reduce the fees of such an auditor to the extent that the external auditor can rely on the work of the internal auditor.
- internal control** Management system designed to ensure that the organisation is properly controlled.
- internal depreciation** "Internal depreciation arises from the operation of any cause natural to or inherent in the asset itself, eg wear and tear of plant and machinery" (Bookkeeping and Accounts, Spicer and Pegler).
- internal growth** When a business increases in size by expanding its existing activities.
- internal linked fund** In relation to insurance companies, "means an account:  
(a) to which linked assets are appropriated by the company, and  
(b) which may be divided into units the value of which is determined by the company by reference to the value of those assets" (Income and Corporation Taxes Act 1988 s431(2)).
- Internal Market** The provision of support services to other departments within the County Council.
- internal migration** Relocation of people within a country, usually to secure better earnings in a more industrialised area.
- internal rate of return (IRR)** A figure that indicates what interest rate corresponds to the profitability of a company.  
This is calculated by plotting the inflows and outflows of cash at different dates, and then determining what interest rate this represents.  
Suppose a company spent £100,000 and received £30,000 in each of the following four years.  
This can be expressed as:  
$$100,000.r - 30,000.r^2 - 30,000.r^3 - 30,000.r^4 = 0$$
  
This cannot be solved algebraically. The mathematics requires **iteration** (of software that can do this). This can be done using the =IRR function in Microsoft Excel.

The IRR can be determined as 7.714% thus:

Start	Cashflow	Balance	Interest	Final
100,000	-	100,000	7,714	107,714
107,714	(30,000)	77,714	5,995	83,709
83,709	(30,000)	53,709	4,143	57,852
57,852	(30,000)	27,852	2,148	30,000
30,000	(30,000)	-	-	-

- internal reporting** Reporting financial information to those users inside a business, at various levels of management, at a level of detail appropriate to the recipient.
- Internal Revenue Code (IRC)** The laws governing taxation in the United States, administered by the Internal Revenue Service.
- Internal Revenue Service (IRS)** The federal agency of the USA which collects federal taxes. It also has responsibility for regulating public charities and foundations, as part of its authority under the Internal Revenue Code.
- internal telephone** Telephone system which links people working within an organisation.
- internal trade** Trade conducted by businesses operating in the same country.
- internal transit** One of the **transit procedures** which Customs may apply to goods presented on importation.  
Internal transit allows the goods to pass through a third country on their way to another EU member state without any further Customs formalities.
- international** Description of anything which relates to more than one country.
- international accounting standard (IAS)**  
Accounting standard intended to be applied internationally, issued by International Accounting Standards Board.
- international accounting standards**  
“the international accounting standards, within the meaning of the IAS Regulation, adopted from time to time by the European Commission in accordance with that Regulation” (Companies Act 2006 s474).
- International Accounting Standards Board (IASB)**  
Independent body based in London which seeks to harmonise the accounting standards of different countries.
- International Accounting Standards Committee (IASC)**  
Body based in London which sets **international accounting standards**
- International Air Transport Association**  
An international trade organisation for the airline industry.
- International Bank Account Number (IBAN)**  
Extended bank account number used for payments between banks in different countries. For such payments, the **sort code** is replaced by the **SWIFT Bank Identifier Code (BIC)**.  
For payments to HMRC, the IBANs are:  
• Shipley: GB05CITI08321012001020  
• Cumbernauld: GB74CITI08321012001039.  
In both cases, the SWIFT BIC is CITIGB2L.

**International Bank for Reconstruction and Development (IBRD)**

A body formed in 1945 as part of the World Bank Group. It provides loans to governments and to government-backed bodies.

Transfers of its stock is exempt from stamp duty (Finance Act 1951 s42).

**International Capital Market Association (ICMA)**

Body formed in July 2005 from the merger of International Securities Market Association and International Primary Market Association. It is a body that represents the interest of banks.

**International Centre for Settlement of Investment Disputes (ICSID)**

One of the five institutions which comprises the **World Bank**. ICSID was established in 1966 to assist in resolving disputes between governments and private investors.

**international consignment note (ICN)**

Document issued under the provisions of the *Convention on the Contract for the International Carriage of Goods*.

**International Co-operative Alliance (ICA)**

International body formed in 1895 as a forum for co-operative societies.

**international currency**

Any currency designed to be used by more than one state.

Some domestic currencies are already so used, such as US dollar, pound and CFA franc.

Invented international currencies include the euro and special drawing rights.

**international development**

Commitment to move towards 0.7% of gross national income (International Development (Reporting and Transparency) Act 2006 s3. An annual report must be issued on how far this target is being met.

**International Development Association**

Organisation formed in 1960 to lend money at low interest rates to developing countries.

**International Ethics Standards Board for Accountants (IESBA)**

This board "is an independent standard-setting body that serves the public interest by setting robust, internationally appropriate ethics standards, including auditor independence requirements, for professional accountants worldwide. These are compiled in the Code of Ethics for Professional Accountants" (website).

The codes of ethics of UK accounting bodies derive from the IESBA code, the latest of which was produced in July 2018, replacing one issued in 2010.

**international fund**

Fund whose portfolio includes securities from different countries.

**international leasing**

Capital Allowances Act 2001 from s70V contains anti-avoidance provisions.

**International Monetary Fund (IMF)**

Bank formed in 1945, which is part of **United Nations**. In 2010 it was thus an organisation of 186 countries.

It provides loans and assistance to countries which get into financial difficulties. Such loans are usually conditional on the government abandoning bad economic practices. The UK government applied to the IMF in 1976.

**international money market** Market which specialises in trading in different currencies.

**international non-proprietary name (INN)**

Name given to drugs according to its generic nature.

This is one of the requirements for obtaining tax relief on donations of drugs to the World Health Organisation, as explained in the Inspector's Manual at BIM 45205.

**international organisation** If a body is so designated, special capital gains provisions may apply under Taxation of Capital Gains Act 1992 s265.

**International Organization of Securities Commissions (IOSCO)**

American body that promotes co-operative policies on market regulation and supervision.

**International Petroleum Exchange (IPE)**

Body formed in 1980 to be Europe's leading futures and options exchange. In 2001, it became part of International Exchanges.

**international qualification examination**

Examination that may be sat in the USA by an accountant who qualified in another country to become a **certified public accountant**.

**international road transport permit**

This may be issued under the Haulage Permits and Trailer Registration Act 2018 s1.

**international securities identification number (ISIN)**

International code for a listed security.

**International Securities Markets Association (ISMA)**

Zurich-based organisation that operates in more than 40 countries. It acts as a forum for addressing issues relating to international securities, now including Eurobond dealers and managers in international security markets. Before January 1992, it was called the Association of International Bond Dealers.

**international services**

Category of supplies which are zero-rated under Value Added Tax Act 1994 Sch 8 Group 7. It largely relates to goods imported for work to be done before being exported. Work of intermediaries is also included.

**international supply contract** A business contract for the supply of goods from territories which have different legal system.

This term is used in Unfair Contract Terms Act 1977 s26 to apply that Act

when goods are supplied under English law.

**International Swap and Derivatives Association (ISDA)**

Body that represents participants in the privately negotiated derivatives industry. It received a royal charter in 1985.

**international trade**

Trade between businesses in different countries.

**international trade assurance officer**

Employee of HMRC, based at an inland office, who visits taxpayers' premises to check record and goods in relation to importing and exporting.

**international transport**

Transport between the UK and another country. It is generally zero-rated under Value Added Tax Act 1994 Sch 8 Group 8.

**international unitary business**

Two or more associated businesses that work together to expand their international markets.

This term was used in the case *Robinson v Scott Bader [1981] 54TC757* in allowing one company to claim tax relief for assistance to the other. The matter is discussed in the Inspectors' Manual at BIM38250.

**Intermarket Trading System (ITS)**

American system that facilitates trading between its main securities markets.

**Internet**

The global network through which computers communicate. The internet includes the World Wide Web, Usenet user groups and newsgroups.

**Internet access service**

In relation to Internet filters, this term "has the meaning given by Article 2(2) of Regulation (EU) 2015/2120 of the European Parliament and of the Council of 25<sup>th</sup> November 2015 laying down measures concerning open internet access and amending Directive 2002/22/EC on universal service and users' rights relating to electronic communications networks and services and Regulation (EU) No 531/2012 on roaming on public mobile communications networks within the Union" (Digital Economy Act 2017 s104(3)).

**Internet Advertising Bureau**

An association dedicated to helping companies increase their revenues from on-line, interactive and similar activities.

**Internet banking**

Banking where transactions are effected on the Internet.  
It is possible to pay tax using Internet banking.

**Internet filter**

Means by which access to certain Internet services is prevented or restricted for child protection or other purposes. The law is Digital Economy Act 2017 from s104.

**Internet sales**

Many sales are now made using the **Internet**. The main ones are eBay, eBid, Cqout, QXL and Tazbar. There are also specialist sites for a limited range of goods.

Sites usually operate on the **auction** basis whereby the sale is made to

the person who has bid the highest amount by a certain date. Other sales are made on the **buy now** principle where a sale is made immediately for a fixed price. A third alternative is for the site to match buyers and sellers and allow them to make their own arrangements.

All sites are funded by a mixture of charging commission (usually to the seller alone) and from displaying advertising on their web pages.

Internet sales are regulated by the **Distance Selling Regulations (DSR)** and **E-Commerce Regulations (ECR)**. The main sites have also agreed with the Office of Fair Trading to state whether a sale is made by a business or an individual.

**inter partes**

Latin: between the parties.

**interpolation**

In mathematics, a process for determining a figure that lies between two other figures.

It can be used to give answers for numbers that lie between two numbers in a set of tables.

For example compound interest tables for 3% interest show that £1,000 would be £6,250.40 after 62 years and £6,437.91 after 63 years. For 62½ years, interpolation would take a figure half-way between, namely £6,344.16. This is an approximation for the real answer, which is £6,343.47.

**interpone**

Scots law: interpose.

**Interpretation Act**

Interpretation Act 1978, which provides guidance on how Acts of Parliament are to be understood.

**Interpretation Service**

Term used by HMRC for its facilities to provide guidance in languages other than English and Welsh.

**interquartile range**

Range of numbers after eliminating the top 25% and the bottom 25%.

**inter-rater reliability**

In statistics, psychology and other disciplines, measure of how well independent observers score the same event, where 1 represents an exact match and 0 a complete lack of matching.

**interregnum**

Period between two reigns. By extension the term is used to mean a period between two periods of leadership.

**interrex**

Person who rules during an **interregnum**.

**in terrorem**

Latin: in terror

The term describes a provision in a will which is designed to frighten or intimidate. Such a provision is void.

**interrupt-driven**

Description of a worker who spends all his time dealing with interruptions.

**inter se**

Latin: among themselves.

**intersectional discrimination**

When a person suffers **discrimination** on more than one ground, none of which is sufficient to justify a claim on its own.

**interval data**

In statistics, data that can be grouped by magnitude, such as age ranges.

**intervening year**

Tax year that falls between the **year of departure** and **year of return** for a **temporary non-resident** (Taxation of Capital Gains Act 1992 s10A(8)).

**Intervention Board Executive Agency (IBEA)**

Organisation now known as the **Rural Payments Agency (RPA)**.

**Intervention Board for Agricultural Produce (IBAP)**

Organisation now known as the **Rural Payments Agency (RPA)**.

**intervention mechanism**

Method used by central banks to maintain the value of their currency.

**intervention stocks**

Agricultural products which have been bought from the market as part of the **European Union** market support arrangements.

**interverifiability**

In evidence, the condition that any scientific or similar test must be done so that the sample is kept and methodology recorded so that another scientist could reproduce it.

**inter vivos**

Latin: between living people, during a lifetime.

**inter vivos trust**

Trust established for the benefit of a living person.

**intestacy**

State of not having a **will** which deals with all the property of a person on death.

**Total intestacy** is where no property may be disposed of by a will, usually because the deceased did not make one.

**Partial intestacy** is where some but not all property may be disposed of by a will.

Where a person is intestate, the property passes under the Administration of Estates Act 1925 and subsequent legislation. This can cause problems if a married person dies leaving children, parents or siblings, as the surviving spouse may not inherit the entire estate, leaving some to other relatives outside the spouse exception, and on which inheritance tax is payable.

**intestate**

Without having a **will**.

**intestate estate**

In Scots law, "means an estate, or any part of an estate, which is not disposed of by will" (Succession (Scotland) Act 2016 s6(6)).

**in the black**

In funds, or profitable. The expression comes from the old practice of banks to use black ink for cash balances and red ink for overdrawn balances.

**in the cards**

Business jargon for a likely outcome.

**in the ordinary course of making or managing investments**

Phrase that is used in Income Tax Act 2007 s685(2)(b), previously Income and Corporation Taxes Act 1988 s703(1).

It relates to the allowability of certain items. The meaning of this expression was considered in the case *Lewis v CIR*. SpC 218 [1999].

**in the red**

Overdrawn, or unprofitable. The expression comes from the old practice of banks to use black ink for cash balances and red ink for overdrawn balances.

**intimate search**

“Search which involves a physical examination (that is, an examination which is more than simply a visual examination) of a person’s body orifices” (Customs and Excise Management Act 1979 s164(5)).

This may only be conducted by a registered medical practitioner or a registered nurse.

The person to be searched, known as the **suspect**, may require this to be authorised by a justice of the peace or the superior of the Customs officer.

**INTM**

Prefix for HMRC’s international manual.

**in totidem verbis**

Latin: in so many words

**in toto**

Latin: entirely, wholly

**intra-Community**

Between **member states** of the **European Union**.

**intraday**

Term meaning within the day. It is used to describe prices of shares and other securities other than those at the opening and closing of a trading day.

**intra-EC supplies**

For VAT, supplies made by a business in an EU state to a business or consumer in another state. The VAT position is explained in leaflet 725.

**intra-group recharge**

When a company in a group is charged for a supply paid by another group company. The term is used in the Inspector’s Manual at BIM 44030 in relation to employee share schemes.

**intra vires**

Latin: within the power of

**Intranet**

A private network of computers. There are many intranets scattered all over the world. Some are connected to the Internet via **gateways**.

**in 88transitu**

Latin: in the course of transit

**Intrastat**

The system for collecting statistics on the trade in goods between European Union (EU) Member States. The system exists throughout the European Union (EU) and requirements are similar in all Member States.



### **Intrastat Combined Nomenclature**

A listing of codes to be used for classifying goods traded within the European Union. This information is used for statistical purposes.

### **intra-union duties**

Customs duties or other import tax charges between members of the European Union.

The original member states had phased out all intra-union duties by 31 December 1969. States which subsequently joined were allowed a period to phase them out. The UK phased out intra-union duties by 30 June 1977.

### **intrinsic value**

Material value of something which derives from the item itself.

The intrinsic value of a watch is the value of the watch as a timepiece and item of jewellery. If the watch had been owned by a famous person it may also have **extrinsic value**.

### **introducer**

Person who makes a marketing contact in relation to a notifiable tax avoidance scheme. The term is defined in Finance Act 2004 s307(1A).

An introducer has no reporting obligations to HMRC in relation to a scheme but may be required to provide information if served with a notice from HMRC under Finance Act 2004 s313C.

### **introducing broker (IB)**

Individual or firm who is not allowed to accept money, securities or other assets from an investor, but may otherwise perform the functions of a broker.

### **introduction**

(1) When one person introduces another person to a third person.  
(2) Preliminary part of a book or report which sets the scene for the substantive material that follows.

### **introductory offer**

Special price or terms when a product or service is launched designed to encourage customers to try it.

### **introspection**

In psychology, an individual's observation and recording of his or her own perceptions, thoughts and feelings.

### **Inuit**

Eskimo.

Where an Inuit kills a seal as part of a traditional hunt for sustenance, the state authority may issue a **seal attestation**. This allows the seal, or products from it, to obtain Customs clearance.

### **in utrumque paratus**

Latin: prepared for either.

### **in vacuo**

Latin: in a vacuum.

### **invalid**

(1) As an adjective, the opposite of valid.  
(2) As a noun, a disabled person.

### **invalid care allowance**

Social security benefit which was paid to those who provided care for a disabled person. It was replaced by **carer's allowance** from 1 April 2003.

<b>invalidation</b>	Process of removing the validity of something.
<b>invalidity</b>	The state of something being invalid, or of a person being disabled.
<b>invalidity allowance</b>	One of the two elements of <b>invalidity benefit</b> paid between 1971 and 1995. The allowance was an addition to the weekly pension paid at a higher, middle or lower rate depending on the claimant's upper age limit when the invalidity occurred. From 6 April 1979, the ages were 40, 50 and 60 (55 for women) respectively. Previously, they were 35, 45 and 60 (55 for women).
<b>invalidity benefit</b>	Social security benefit that was paid from 22 September 1971 to 5 April 1995 when it was replaced by <b>incapacity benefit</b> , which was itself replaced by <b>employment and support allowance</b> between 2011 and 2014. Invalidity benefit had two elements: invalidity pension and invalidity allowance. The former was a weekly payment, usually paid when statutory sick pay cease after 28 weeks. The allowance was an addition paid at one of three rates, depending on the claimant's age.
<b>invalidity pension</b>	One of the two elements of <b>invalidity benefit</b> paid between 1971 and 1995. It is a fixed weekly amount, with additions for adult and child dependants.
<b>in varietate 90concordia</b>	Latin: united in diversity. This is the official motto of the European Union.
<b>invention</b>	In relation to cost-sharing arrangements for patent box, this term is given a specific and obvious meaning in Corporation Tax Act 2010 s357GC(3) as inserted by Finance (No 2) Act 2017 s23.
<b>inventory</b>	Stock of items held for sale. The term is sometimes preferred to "stock" to avoid confusion with other meanings of the word, such as equity finance.
<b>inventory financing</b>	American term for when the money from working capital is used to purchase stock for resale.
<b>inventory system</b>	Computer system that controls the arrival and departure of consignments at most ports and airports in the UK. See also <b>Direct Trader Input system</b> (DTI system).
<b>inventory turnover</b>	Accounting ratio calculated as value of stock sold divided by value of goods in stock at the end of the accounting period.
<b>inverse floater</b>	Description of an investment that moves in the opposite direction to the general market, such as a mortgage whose rate falls when interest rates rise.
<b>inverse ratio</b>	Ratio where the two factors move in opposite directions, such as when A halves when B doubles.
<b>inverted yield curve</b>	In investment, the situation where the yields on short-term instruments are higher than those on long-term securities. It is also called a negative yield

curve.

- invested capital** In relation to community interest tax relief, "in relation to the continuing investment means the amount subscribed for the securities or shares concerned" (Corporation Tax Act 2010 s247(4)).
- investigating officer** Civilian who is so designated by a chief officer of police under Police Reform Act 2002 s38(2).
- investing activities** The acquisition and disposal of long-term assets and other investments not included in cash equivalents.  
For statements of cash flow, "investing activities are the acquisition and disposal of long-term assets and other investments not included in **cash equivalents**" (FRS 102 section 7.5). The paragraph goes on to provide examples.
- investment** An asset held for the primary purpose of either generating income or a capital gain or both. An investment aims to give the investor more money than invested.  
Investments are either seen as coming from profitable business or from the government. In reality, this is only one source as the government can ultimately only collect taxation from business profits.  
Politicians tend to use the term more loosely to mean any spending which they consider beneficial, such as "investing" in schools or roads.  
For the deduction of income tax at source by banks and deposit-takers (generally until 5 April 2016), the term is defined in Income Tax Act 2007 s855(1).
- investment allowance** *Oil industry*  
An allowance against corporation tax given to the oil industry under the provisions of Corporation Tax Act 2010 from s332C.  
*Old capital allowance*  
Old form of capital allowance introduced on 6 April 1954 under Finance Act 1953 s16, and discontinued from 16 January 1966.  
It differed from other forms of capital allowance in that it did not reduce the value for subsequent years, so a business could claim perhaps 30% investment allowance and still claim writing down allowance on 100%.
- investment analyst** Person who analyses shares, securities and markets with a view to producing information to aid investment decisions.
- investment bank** Bank which deals with such areas as underwriting new share issues.  
The term is given a specific meaning in Corporation Tax Act 2009 s133H as inserted by Finance (No 2) Act 2015 s18.  
In the USA, the term is often used to mean a merchant bank.
- investment bond** Any form of investment that has more than one element. In practice, the term usually means a whole life assurance policy funded by a single premium. Part of the premium provides life assurance cover, while the balance is invested.

There are special tax provisions for **single premium bonds**.

**investment bond arrangements**

One of the five forms of **alternative finance arrangement**.

The capital gains tax provisions are given in Taxation of Capital Gains Act 1992 s151N.

The income tax provisions are given in Income Tax Act 2007 s564G.

**investment business**

Commercial activity that involves dealing in investments, arranging such deals, managing investments, advising on investments, and the administration of such investments.

**investment centre**

A unit of an organisation in which the manager is responsible for investment decisions, in addition to management of goods or services.

**investment club**

Group of up to 20 individuals who collectively invest funds. The advantage is that the individual investor can get the benefit of a more diverse portfolio and the wisdom of other members. In addition many clubs provide social meetings such as dinners.

The club works on the normal basis with a chairman, secretary and treasurer according to a constitution. Elections and decisions are made by members voting. Investment clubs usually join ProShare which provides technical guidance, investment analysis and specialist software.

Clubs work on a points basis. If a club starts with 10 members each contributing £100, each member may have 100 points where each point is worth £1. If after a month, the portfolio has grown from £1,000 to £1,020, each point is now worth £1.02. A person joining the club in that month who contributed £100 would therefore get 98 points rather than 100. In practice, units are often calculated to several decimal places, so the new member would actually be allocated 98.0392 units.

If a member makes no further contributions, their number of units will remain constant but their value will move in line with the portfolio. In practice, most clubs require members to make regular contributions by standing order from their bank.

Each year, the treasurer issues each member with an **investment club certificate** stating how much of the club's capital gain and income are attributable to that member.

HMRC provides guidance on the taxation of investment clubs in the Inspector's Manual at CG20600. HMRC provides form 185 which may be used for this purpose. From 6 April 2013, the treasurer is no longer required to make a submission to HMRC but must keep sufficient records to support information on the certificates. HMRC can require a treasurer to make a return under the provisions of Taxes Management Act 1970 s24 or Finance Act 2011 Sch 23 para 65.

**investment club certificate**

Certificate issued by the treasurer of an **investment club** to each member showing how much each member has benefited from a crystallised capital gain and income from dividends.

The member adds the capital gain to other capital gains for the period

and may be liable for capital gains tax if sufficiently large.

The member is liable to income tax on their share of dividend income.

**investment company**

Company whose shares may be traded on a stock exchange, and whose business is trading in shares of other companies.

In relation to distributions, the term is defined in Companies Act 2006 s833(1).

**investment company with variable capital (ICVC)**

Open-ended collective investment vehicle similar to a unit trust. The investors hold shares in a company rather than units.

**investment date**

For CITR, date on which a company makes an investment in a **CITR** (Corporation Tax Act 2010 s223).

**investment entity**

Term used for the bank levy. It is defined in Finance Act 2011 Sch 19 para 12(9)).

**investment expenditure**

This term is given a specific meaning for decommissioned oil fields in Corporation Tax Act 2010 s356JE.

**investment freezing condition**

In relation to wind generating stations, this term is defined in Electricity Act 1968 s32LK as inserted by Energy Act 2016 s79.

**investment gold coin**

For VAT, this is

“(a) a gold coin minted after 1800 that:

- is of a purity of not less than 900 thousandths
- is, or has been, legal tender in its country of origin, and
- is of a description of coin that is normally sold [see **normal selling price**] at a price that
- does not exceed 180% of the open market value of the gold contained in the coin, or

(b) a gold coin on the lists in section 3”

(VAT notice 701/12A). Section 3 lists the bullion coins of various countries.

**investment grade**

Credit rating down to Baa (Moody) or BBB (Standard and Poor), which are considered suitable for ordinary investors.

**investment grant**

Government grant to a company, particularly to help it acquire plant and machinery.

**investment income**

Alternative name for **unearned income**. It comprises all income from investments, rent, licence fees and royalties (unless the taxpayer created the work).

Historically investment income was taxed at a higher rate than earned income. This ended with the abolition of **investment income surcharge** from 6 April 1984.

**investment income surcharge (IIS)**

Additional rates of income tax charged from 6 April 1973 to 5 April 1984 on

investment income.

The rates of IIS went as high as 15%. When the rate of income tax could go as high as 83%, this meant that the total tax rate could be 98%, though most taxpayers liable to pay this penal rate either emigrated or used a tax avoidance scheme.

**investment life insurance contract**

The term is defined in Corporation Tax Act 2009 s561.

**Investment Management Association (IMA)**

Trade body for the investment industry established in 2002 from the merger of the Association of Unit Trusts and Investment Funds (AUTIF) and the Fund Managers' Association (FMA).

**Investment Management Regulatory Organisation (IMRO)**

A regulatory body which governs the way investors' money is handled and invested.

**investment management services**

For the purposes of disguised investment management fees, this term is defined in Income Tax Act 2007 s809EZE as inserted by Finance Act 2015 s21.

**investment plan for children**

The tax implications are given in Income Tax (Trading And Other Income) Act 2005s695A.

**investment principles**

Stated principles followed by trustees of an occupational pension scheme in accordance with Pensions Act 1994 s35 (as amended).

**investment property**

Property which is owned primarily as an investment rather than for occupation.

**investment revaluation reserve**

Capital reserve where changes in the value of a company's investment properties are first disclosed.

**investments under the account**

In relation to child trust funds, "has the same meaning as investments under a child trust fund in the [Child Trust Funds] Act [2004]" (Child Trust Funds Regulations SI 2004 No 1450 reg 2(1)(b)).

**investment trust**

Company that invests in other companies. Investors buy shares in the investment trust, which is legally not a trust at all.

Specific corporation tax provisions are given in Corporation Tax Act 2009 s395. A definition is given in Corporation Tax Act 2010 s1158.

Provisions relating to **profits or losses of a capital nature** are given in Corporation Tax Act 2009 s637.

For child trust funds, the term "refers to a company that is such a trust for the purposes of the Corporation Tax Acts, or would be such a trust but for section 1158(3) of the Corporation Tax Act 2010" (Child Trust Funds

Regulations SI 2004 No 1450 reg 2(1)(b)).

**investor protection**

Laws, regulations, procedures and similar measures which are designed to protect investors from unscrupulous offers. They provide no protection for properly made investments which perform badly.

**investor**

Person or organisation who has bought shares or otherwise committed his money with a view to receiving it back with additional money.

**Investors Compensation Scheme (ICS)**

Scheme established under Financial Services and Markets Act 2000, now known as the **Financial Services Compensation Scheme**.

**Investors Compensation Scheme Ltd v West Bromwich Building Society**

Court case heard by the House of Lords in 1997 which established that a contextual approach must be taken when interpreting contracts.

The five principles are:

- 1 What a reasonable person having all the background knowledge would have understood
- 2 where the background includes anything in the matrix of fact that could affect the language's meaning
- 3 but excluding prior negotiations, for the policy of reducing litigation,
- 4 where meaning of words is not to be deduced literally but contextually
- 5 on the presumption that people do not easily make linguistic mistakes.

The original case related to the meaning of the words "or otherwise" in an agreement made between ICS and the individual. In relation to a badly drafted clause, a common sense approach was to be preferred to a legalistic one.

**Investors in Industry (3i)**

Finance group partly owned by High Street banks which provides finance for smaller companies.

**Investors in People (IIP)**

UK national standard which sets out a level of good practice for the training and development of people to achieve business goals.

**invisible assets**

Assets which have a value but cannot be seen. In practice, they are the same as **intangible assets**.

**invisible biometric**

Biometric control of which the user is unaware. An example is software that, apparently, can identify how users hit the keys on a keyboard as a means of ensuring that a code is being entered by the appropriate person.

**invisible earnings**

Income from services such as banking and insurance, rather than from selling goods.

**invisible exports**

Exports of services such as banking and insurance.

<b>invisible hand</b>	The invisible hand is an expression that came about from work by Adam Smith. He argued that the 'invisible hand' would organise markets and ensure that they arrived at the optimum outcome. This would all happen by individuals and firms pursuing their self-interest, yet despite this apparent selfishness, the invisible hand of markets still ensured the best outcome for all concerned.
<b>invisible imports</b>	Imports of services such as banking and insurance.
<b>Invisible spending</b>	Odd amounts of personal expenditure that an individual tends not to notice nor budget for. Examples include confectionery, coffee, incidental fares. In 2015, it was estimated that such expenditure averages £18 per person per week.
<b>invisible trade</b>	Trade in services such as banking and insurance.
<b>invisibles</b>	Invisible imports and invisible exports.
<b>invitation</b>	Asking someone to do something, such as to buy goods or attend a function.
<b>invitation to treat</b>	<p>A suggestion that a person may wish to make an offer, such as to buy goods. Most advertisements and price tickets are invitations to treat.</p> <p>An invitation to treat is not an offer under contract law. A person who accepts the invitation is regarded as making an <b>offer</b>. The contract is only made if the other person <b>accepts</b> that offer. A leading case is <i>Pharmaceutical Society of Great Britain v Boots Chemists (Southern) Ltd [1953]</i>.</p>
<b>invoice</b>	<p><b>Definition</b></p> <p>Document which confirms that a supplier has supplied his goods or services, and states the price charged for the goods.</p> <p>The form of an invoice is largely a matter for the discretion of the supplier, though some requirements are stipulated for specific purposes, particularly for VAT. An invoice may be validly sent by fax or e-mail.</p> <p>An invoice is not necessarily a demand for payment, as the customer may have paid in advance. In such a case, it is good practice (though not legally necessary) to note on the invoice that payment has already been received.</p> <p>An invoice may not be for a negative amount. Instead a <b>credit note</b> may be issued. VAT may be included on a genuine credit note.</p> <p><b>Process</b></p> <p>In most businesses invoices received from suppliers are checked and then entered on a <b>bought ledger</b> (also known as a <b>purchase ledger</b>) against the name of the supplier. The check typically needs to answer these questions:</p> <ul style="list-style-type: none"><li>• have the goods or services been received?</li><li>• are they satisfactory?</li><li>• did we order them?</li><li>• did we agree the price?</li><li>• is the invoice arithmetic correct?</li></ul> <p>The invoice should only be entered on the bought ledger if all the answers to</p>



the questions above are yes. If any of them is no, the matter must first be resolved with the supplier.

The bought ledger is a **memorandum account** outside the double entry bookkeeping. Purchase invoices are brought into the bookkeeping by a purchase day book (or computer equivalent). The debits are to the various expense accounts, and the credit is to "creditors" with any recoverable VAT subtracted and posted to "VAT".

### **Ledgers**

Sales invoices are similarly recorded on both a **sales ledger** and in the double-entry bookkeeping. The sales ledger is used for the purposes of **credit control** to obtain payment. The double-entry for sales is to debit debtors, and to credit VAT and sales.

### **Value added tax**

"Invoice includes any document similar to an invoice" (Value Added Tax 1994 s96(1)).

There are legal requirements for VAT invoices. These are relaxed for amounts below £250, and further relaxed for amounts below £25.

The invoice must be issued in one or more sequences of consecutive numbers and contain required information. Invoices for goods that are delivered to another EU state have further information requirements.

<b>invoice clerk</b>	Employee whose job involves processing invoices in the accounts department.
<b>invoice discounting</b>	Form of secured lending against a business's debts.
<b>invoice price</b>	Amount charged for goods or a service, as shown on the invoice.
<b>invoice register</b>	List of invoices either issued or received (more commonly the latter).
<b>invoicing department</b>	Part of the accounts department which issues invoices.
<b>involuntary bankruptcy</b>	When a person is made bankrupt against his or her will.
<b>involved company</b>	In relation to the remittance basis, this term is defined in Income Tax Act 2007 s809VH(4).
<b>involved in research</b>	For <b>employment income</b> from shares in a spin-out company, the term is defined in Income Tax (Earnings And Pensions) Act 2003 s458.
<b>involved third party</b>	<p>In relation to HMRC powers, this term is defined, with the help of a table, in Finance Act 2008 Sch 36 para 61A(1).</p> <p>In Scotland, "means a person who is, or a category of persons who are, specified by the Scottish Ministers by order" (Revenue Scotland and Tax Powers Act 2014 s142(3)).</p> <p>Such a person may have their business premises inspected by Revenue Scotland in relation to another person.</p>

- involves a domestic matter** For tax penalties, term used in Finance Act 2007 Sch 24 para 4A(5).
- involves an offshore matter** In relation to tax penalties, a term defined and used in Finance Act 2007 Sch 24 para 4A(4).
- involves an offshore transfer** In relation to tax penalties, a term defined and used in Finance Act 2007 Sch 24 para 4A(4B).
- inward** To or towards the home country.
- inward investment support (IIS)**  
Support given by HMRC to businesses that wish to make a significant investment in the UK. The support is restricted to giving general tax advice.  
In Statement of practice SP2/2012 issued on 1 February 2012, HMRC said that IIS is offered to businesses investing at least £30 million in the UK and where the business is not UK resident and has no existing relationship with HMRC.
- inward processing**  
Process whereby goods are brought into the UK for a process before being exported again. Any process can bring the goods within the scope of inward processing, including repair, repackaging and assembly.  
In general, no Customs duty is payable for inward processed goods, though a payment is usually required for later refund.  
Relief for inward processing is given in one of two ways: **suspension system** and **drawback system**. The former allows for relief when the goods are exported. Such goods are known as **compensating products**. The drawback system requires the duty to be deposited with Customs for refund.
- inward processing drawback (IP D)**  
One of the means of giving relief under **inward processing**.
- in-work conditionality**  
Provision of universal credit whereby claimants in work may be required to look for more work, such as longer working hours.
- in-work credit**  
Social security benefit that may be payable for up to 52 weeks when starting in a new job. It is paid under Employment and Training Act 1973 s2.  
This benefit is not subject to income tax (Income Tax (Earnings And Pensions) Act 2003 s677).
- in-work emergency discretion fund payment**  
Social security payment that may be made under Employment and Training Act 1973 s 2.  
This benefit is not subject to income tax (Income Tax (Earnings And Pensions) Act 2003 s677).
- in-work emergency fund payment**  
Northern Ireland equivalent to **in-work emergency discretion fund payment**.

<b>in-year forms</b>	Forms filed with HMRC during the tax year, rather than at the end of it. For payroll, this includes the various P45 and P46 forms.
<b>in-year PAYE payment</b>	Payment of monthly PAYE. The term is particularly used for the new penalties introduced from 6 April 2010 for late payment.
<b>in-year rise</b>	For <b>tax credits</b> , increase in income from the start of the year when income was declared. An in-year rise may be disregarded up to a limit.
<b>IOB</b>	Insurance Ombudsman Bureau.
<b>Ionad Obrach is Eile</b>	Scottish Gaelic: Jobcentre Plus.
<b>Ionawr</b>	Welsh: January.
<b>IOP</b>	<b>Index of production.</b>
<b>IOPC</b>	<b>Independent Office for Police Conduct.</b>
<b>IORP</b>	EU Institutions for Occupational Retirement Pension.
<b>IOSCO</b>	<b>International Organisation of Securities Commissions.</b>
<b>iota</b>	Greek letter I, used to denote 10 or 10,000. It also means a small amount.
<b>IOU</b>	Personal loan authorised by the borrower. This practice is not generally recommended in business as it can easily lead to fraud.
<b>IP</b>	(1) <b>Intellectual property.</b> (2) Inward processing.
<b>IPA</b>	Individual pension account. [This is also the abbreviation for Indian Pale Ale.]
<b>IPCC</b>	Independent Police Complaints Commission. This is replaced by Independent Office for Police Conduct (IOPC) from 8 January 2018.
<b>IP D</b>	<b>Inward processing drawback.</b>
<b>IPDI</b>	<b>Immediate post-death interest.</b>
<b>IP drawback (IP D)</b>	<b>Inward processing drawback</b> , an arrangement whereby Customs duties are paid when goods are imported for inward processing, and the duties are repaid when the goods are re-exported.
<b>IPE</b>	<b>International Petroleum Exchange.</b>
<b>IPGN</b>	Prefix for HMRC's tax manual on import preference guidance notes.

<b>IPI</b>	<b>Income protection insurance.</b>
<b>IPO</b>	<b>(1) Intellectual Property Office.</b> <b>(2) Initial public offering</b> , of shares.
<b>IPR</b>	<b>(1) Inward Processing Relief</b> , a Customs procedure providing import duty relief for goods imported to the European Union (EU) or removed from a customs warehouse, for process and re-export outside the European Union (EU). (2) Intellectual property rights.
<b>IPR/CS</b>	Inward Processing Relief/Continental Shelf – special arrangements are available for the transfer of Inward Processing Relief (IPR) goods to or from locations on the Continental shelf outside UK territorial waters.
<b>I promise to pay</b>	Words on a promissory note. If the note bears more than one signature, all signatories are jointly and severally liable to pay (Bills of Exchange Act 1882 s85(2)).
<b>IPRU</b>	Interim Prudential sourcebook, published by the Financial Services Authority.
<b>IPSASB</b>	International Public Sector Accounting Standards Board.
<b>IPSE</b>	Association of Independent Professionals and Self-Employed.
<b>ipse dixit</b>	Latin: he himself said it.
<b>ipsissima verba</b>	Latin: the identical words
<b>ipso facto</b>	Latin: by the mere fact.
<b>IP suspension</b>	Arrangement whereby Customs duties are suspended when goods are imported for inward processing. The duty liability is discharged when the goods are re-exported.
<b>IPT</b>	Prefix for HMRC's tax manual on insurance premium tax.
<b>IP&amp;T</b>	Butterworths Intellectual Property and Technology Cases, a series of <b>law reports</b> first published in 1999.
<b>IPTM</b>	Prefix for HMRC's tax manual on insurance policyholder taxation.
<b>IPV</b>	Intimate partner violence, a form of domestic abuse.
<b>IQD</b>	<b>ISO code</b> for Iraqi dinar.
<b>IR</b>	<b>(1) Inland Revenue.</b> <b>(2) Insolvency Rules.</b> <b>(3) For corporation tax</b> , "so much of the basic profits for that period as consist

of ring fence profits" (Finance Act 2007 s3).

## IR 35

Common name for **personal service company**.

The provisions apply where an individual provides his or her own services through a limited company, particularly when he or she is the company's only employee. IR35 provisions apply when the individual works in circumstances that would otherwise make the individual an employee.

Such an arrangement remains legal, and fairly common, but the company must calculate and pay a sum equivalent to the PAYE that would have been payable had the individual been an employee.

These provisions have been controversial, as they are based on what a person does *not* do. Saying that a self-employed person is avoiding tax payable by an employee is like saying that someone who walks to work is avoiding petrol duty by not driving a car.

Suppose:

- A works for B Ltd, and
- B Ltd provides the services of A to C Ltd, and
- but for B Ltd, A would be seen as an employee of C Ltd.

What has happened is that B Ltd has broken the direct link between A and C Ltd. For tax purposes, B Ltd must make the IR35 payment. Note that C Ltd still pays the invoices from B Ltd in the normal way, without putting A on the payroll.

Income tax provisions are contained in Finance Act 2000 s60, National insurance provisions are found in Social Security Contributions and Benefits Act 1992 s4A with effect from 6 April 2000.

In 2012, HMRC published a guide using a much-criticised points-based system to introduce a measure of objectivity in determinations. This used 12 tests: **business premises test, PII test, efficiency test, assistance test, advertising test, previous PAYE test, business plan test, repair at your own expense test, client risk test, billing test, right of substitution test, actual substitution test.**

From 6 April 2017, public sector bodies must determine whether IR35 applies to workers. If they conclude it does, the body must deduct an amount equal to PAYE and national insurance before paying the worker. The worker deducts this from the tax and national insurance that they pay.

## IR35 Forum

Body established comprising representatives of HMRC and parties affected by the IR35 regulations. Its object is to find ways to make IR35 operate more effectively. Their first meeting was on 6 May 2011.

## IRA

**Individual retirement account.**

[The abbreviation has other meanings.]

## IRAM

**Inland Revenue Approved Mileage rate.**

## Iran

Arab state. Its currency is the rial of 100 dinar. The UK had no double taxation treaty but has an air transport agreement of 1960.

<b>Iraq</b>	<p>Arab state. Its currency is the Iraq dinar of 1,000 fils. The UK has no double taxation treaty.</p> <p>The UK joined the USA and other countries in invading the country in 2003 to replace the rule of Saddam Hussein.</p> <p>Iraq invaded Kuwait on 2 August 1990. A UK worker unable to leave either country as a consequence may benefit from the provisions of Finance Act 1991 s46 in relation to time spent in the UK.</p>
<b>IRC</b>	<p><b>(1) Internal Revenue Code</b> <b>(2) Inland Revenue commissioner.</b></p>
<b>Ireland</b>	<p>Part of the island of Ireland that became independent from the UK in 1921 and is now a republic under a constitution adopted in 1937.</p> <p>Ireland joined the European Union in 1973 at the same time as the UK.</p> <p>Its currency is the euro of 100 cents, prior to which it was the Irish pound or punt which was kept at parity with the UK pound until 1978. The two countries switched to decimal currency together in 1971.</p> <p>The UK has a double taxation convention of 1976 amended by a protocol of 1998.</p>
<b>Irish land boundary</b>	<p>The boundary between Northern Ireland and the Republic of Ireland. Goods that cross the boundary to the Republic are regarded as removed to another EU member state for VAT purposes. VAT Notice 725 states what evidence is required for such removals.</p>
<b>Irish loan</b>	<p>“Means a loan to Ireland by the United Kingdom” (Loans to Ireland Act 2010 s1(2)).</p>
<b>Irish Life and Permanent</b>	<p>Old name for <b>Permanent TSB</b>, an Irish financial institution.</p>
<b>IRLR</b>	<p>Industrial Relations Law Reports, first published in 1972.</p>
<b>iron butterfly</b>	<p>In investment, an option strategy which limits both risk and return. It involves either a long straddle with a short combination, or a short straddle with a long combination.</p>
<b>Iron Curtain</b>	<p>Symbolic division between Eastern and Western Europe between 1945 and 1991, indicating that the West did not know what the East was doing.</p>
<b>ironworks</b>	<p>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).</p>
<b>IRP</b>	<p>Independent Reconfiguration Panel.</p>
<b>IRR</b>	<p><b>(1) Internal rate of return</b> <b>(2) ISO code</b> for Iranian rial.</p>
<b>irrational exuberance</b>	<p>Term used by <b>Alan Greenspan</b>, chairman of the US Federal Reserve, in December 1996 which was widely seen as saying that the bull market was</p>

about to end. It actually lasted another four years.

<b>irrecoverable debt</b>	Sum of money owed to you for which you are unable to obtain payment.
<b>irrecoverable loss</b>	Loss which a person must bear himself without being able to claim on an insurance policy or otherwise be compensated from someone else.
<b>irrecoverable</b>	Description of a payment, goods or similar which cannot be got back.
<b>irredeemable</b>	Description of something which cannot be redeemed, such as a form of <b>debt instrument</b> which cannot be converted to ordinary shares.
<b>irredeemable bond</b>	Government bond which has no maturity debt. It earns interest but its value can only be recovered by selling it.
<b>irredeemable security</b>	Securities that have the nature of a redeemable security other than having no redemption date. Examples include perpetual debentures and certain government loan stock, such as War Loan and Consols.
<b>irregular</b>	In relation to PAYE settlement agreements, relates to “the frequency in which, or the times at which, the sums are paid or the benefit is provided or made available” (PAYE regulations SI 2003 No 2682 reg 106(3)(b)).
<b>irregular benefit</b>	Benefit provided by an employer to an employee which may be covered by a <b>PAYE settlement agreement</b> . Examples are given in statement of practice SP 5/96.
<b>irregularity</b>	<p>In relation to tax returns, the term “is intended to include all errors whether the error is made by the client, the member, HMRC or any other party involved in a client’s tax affairs” (Professional Conduct in Relation to Taxation para 5.1).</p> <p>Subsequent paras set out the tax adviser’s responsibilities for irregularities.</p>
<b>irretention</b>	Absence of a power to retain.
<b>irretrievable Loss</b>	When goods have been rendered unusable by any person (taken from Code Article 206).
<b>irrevocable</b>	Description of something which cannot be revoked.
<b>irrevocable letter of credit</b>	Letter of credit against which a bank must make payment if the conditions are met. There is no facility for the person who issued the letter to revoke it or otherwise countermand payment.
<b>irrevocable trust</b>	A trust arrangement that cannot be revoked by the <b>settlor</b> who created it.
<b>IRS</b>	<b>Internal Revenue Service</b> , the taxing authority in the United States.

<b>IRS-CI</b>	Internal Revenue Service Criminal Investigation, a US body.
<b>IRTC</b>	Individual resettlement training costs (in armed forces).
<b>IRU</b>	(1) Union Internationale des Transports Routiers (International Road Transport Union) – an international trade organisation for the road transport industry. (2) Indefeasible right of use.
<b>IS</b>	<b>Information systems.</b>
<b>ISA</b>	<b>Individual savings account</b>
<b>ISBN number</b>	International Standard Book Number. A system of allocating a unique set of digits to each book that is published. The system was introduced in 1966 and is widely used, though it is not compulsory.
<b>ISD</b>	Investment Services Directive.
<b>ISDN</b>	(1) Integrated Services Digital Network. Digital phone connections that are faster for computer. (2) <b>Income Support Deduction Notice.</b>
<b>ISG</b>	<b>Intermarket Surveillance Group.</b>
<b>ISIN</b>	<b>International securities identification number.</b>
<b>ISK</b>	<b>ISO code</b> for Icelandic krona.
<b>ISLA</b>	International Securities Lending Association.
<b>Islam</b>	Religion based on the teachings of Mohammed (570-632 AD) which recognises Jesus and Abraham as prophets. Its adherents are called Muslims. The religion generally bans interest in financial transactions. This has led to the development of <b>Islamic finance</b> . For tax, this is called <b>alternative finance</b> . They generally work by replacing interest with a share of profit. The tax provisions seek to give the same treatment as to the transaction it imitates. Alternative finance is available to all investors and taxpayers and is not restricted to Muslims.
<b>Islamic banking</b>	Banking that complies with Sharia law, in particular avoiding interest.
<b>Islamic Development Bank</b>	Bank established in 1975 to provide financing in Islamic countries in accordance with <b>Sharia law</b> .
<b>Islamic finance</b>	Financial arrangements that are consistent with <b>Sharia law</b> for Muslims. The main provision is the prohibition of charging any interest. This is circumvented by arranging for an equivalent sum to be paid as a share of profits, which is permitted.



For tax, these arrangements are known as **alternative finance**. They seek to tax Islamic equivalents on the same basis as the financial products they copy. This has not always been achieved. Alternative finance is not restricted to Muslims, and so has provided scope for tax avoidance.

There are also special Islamic banks.

**Islamic law**

Another name for **Sharia law**.

**island**

In relation to a Scottish development plan, “means a naturally formed area of land which is —

(a) surrounded on all sides by the sea (ignoring artificial structures such as bridges), and

(b) above water at high tide”

(Islands (Scotland) Act 2018 s1(1)).

**island community**

In relation to a Scottish development plan, “means a community which —

(a) consists of two or more individuals, all of whom permanently inhabit in island (whether or not the same island), and

(b) is based on common interest, identity or geography (in relation to any uninhabited island whose natural environment and terrestrial, marine and associated ecosystems contribute to the natural or cultural heritage or economy of an inhabited island”.

(Islands (Scotland) Act 2018 s2).

**Isle of Man**

Part of British Isles that is not part of the United Kingdom. For the purposes of VAT, the Isle of Man is treated as if it were part of the UK.

The island uses currency based on UK currency and at par value, though the currency is not legal tender in the UK.

The UK has a double taxation arrangement of 1991 as amended by an arrangement of 2008. In 2013, there was an exchange of letters for a double taxation agreement that is not yet in force.

Tax provisions between UK and the Isle of Man are governed by Isle of Man Act 1979.

**ISMA**

**International Securities and Markets Association.**

**ISO codes**

Three-letter codes which identify currencies and **stores of value**. These are allocated by the International Organization for Standardization (ISO) under their standard ISO 4217.

For most currencies, the code typically comprises two letters denoting the country and one letter denoting the currency, so the US dollar, British pound and Japanese yen are respectively USD, GBP and JPY. The euro is EUR

Stores of value are often denoted by X followed by two letters (such as the atomic symbol) so gold and silver are XAU and XAG. There are some symbols for currencies for particular applications, such as **special drawing rights** and the US dollar for next day funding.

**ISO currency code**

Another name for **ISO code**.

<b>isolated transaction</b>	Unique transaction that is not repeated. Such a transaction may be regarded as a trade if of a commercial nature, such as in <i>CIR v Fraser [1942] 24TC498</i> which related to an isolated transaction of buying a large quantity of whisky and reselling it at a profit. The matter is discussed in the Inspectors' Manual at BIM20230.
<b>ISPV</b>	Insurance special purpose vehicle.
<b>Israel</b>	Middle East nation mentioned in the Bible and reconstituted in 1948, though not recognised by most Arab states with whom Israel has fought many wars. Its the occupier of the Palestinian territories of Gaza and the West Bank of Jerusalem. Its currency is the shekel of 100 agora. The UK has a double taxation convention of 1962 as amended by a 1970 protocol.
<b>ISSN</b>	International Standard Serial Number. Unique number given to a publication so it can be identified internationally.
<b>issue</b>	(1) To make available, as in issuing shares. (2) Children and their children, viewed collectively (Wills Act 1837 s33). Strictly, "issue" means sons and daughters, and <b>remoter issue</b> means subsequent generations. However for inheritance tax, HMRC uses the word to mean all descendants of any generation.
<b>issue at a discount</b>	When a security is issued for less than their par value. In general, shares may not be issued at a discount but debentures and other forms of debt instrument may be.
<b>issue at a premium</b>	When a security is issued for more than its par value. This is legal for shares and all other forms of security.
<b>issue costs</b>	"The costs that are incurred directly in connection with the issue of a <b>capital instrument</b> , that is, those costs that would not have been incurred had the specific instrument in question not been issued" (FRS 4 para 10).
<b>issue date</b>	In relation to enterprise investment scheme, "means the date on which the relevant shares are issued" (Income Tax Act 2007 s175A(8) as inserted by Finance (No 2) Act 2015 Sch 5).
<b>issue of securities or shares</b>	In relation to community interest tax relief, this term is defined in Corporation Tax Act 2010 s265.
<b>issue price</b>	Price at which shares or other financial instrument are issued to investors.
<b>issue requirement</b>	Conditions which must be met by the terms of an issue of shares for them to qualify for tax such relief, such as for <b>EIS relief</b> under Income Tax Act 2007 s173A-174.
<b>issued capital</b>	Amount of <b>authorised capital</b> which the company has issued to members.

<b>issued share capital</b>	“Shares of a company that have been issued” (Companies Act 2006 s546(1)(a)).
<b>issuer</b>	Person who issues something, particularly financial instruments.
<b>issuing arrangements</b>	In the context of <b>EIS relief</b> , “means: (a) the arrangements under which the shares are issued to the individual, and (b) any arrangements made before the issue of the shares to the individual in relation to or in connection with them” (Income Tax Act 2007 s177(5)).
<b>issuing company</b>	Company which issues equity notes (Income and Corporation Taxes Act 1988 s209(2)(e)(vii)).
<b>issuing house</b>	Old term for a merchant bank or other financial institution that issued shares for companies newly listed on a stock exchange.
<b>IT</b>	<b>(1) Country prefix code</b> for Italy. <b>(2) Information technology.</b>
<b>ITA</b>	(1) Income Tax Act 2007. <b>(2) Intelligent telephony automation.</b>
<b>Italian Uplift claims</b>	VAT claims that were based on an argument that payments by HMRC in relation to Italian Republic claims had been based on average margins which were too low. In 2009 HMRC did not accept that argument, and there was a lead case proceeding in the Tribunal known as <i>Bristol Street Motors</i> . It was discovered that HMRC had made a repayment claim to Blake Holdings in 2013, but was resisting further claims. The history is explained in the case <i>Rolls Group [2015] TC 4581</i> .
<b>Italy</b>	European state that is a member state of European Union, for which purpose these territories are excluded: Campion d’Italia, the Italian waters of Lake Lugano, and Lvigno. The currency is the euro of 100 cents, prior to which the currency was the lira. The UK has a double taxation convention of 1988.
<b>IT consultancy</b>	Under the VAT flat rate scheme, the appropriate percentage is:

From	Percentage
<b>4 January 2011</b>	14.5%
<b>1 January 2010</b>	13%
<b>1 December 2008</b>	11.5%
<b>1 January 2004</b>	13%

<b>IT department</b>	Department in an organisation that deals with its <b>information technology</b> .															
<b>ITDLO</b>	International Trade Development Liaison Officer.															
<b>item</b>	(1) An object defined by a property, such as an entry in a statement or something offered for sale. (2) Colloquially, a couple in an acknowledged romantic relationship.															
<b>item by item negotiation</b>	Form of negotiation on Customs duties which looks at the tariffs on individual items, as against <b>across the board negotiations</b> .															
<b>itemise</b>	List the items which make up something, such as the constituent parts of a bill explaining how the charge has been calculated.															
<b>itemised pay statement</b>	Payslip which gives details of gross salary or wages, the amount of any variable element, the net amount payable, and a breakdown of any part which is paid differently from the rest. Such a statement must be provided with every payment (Employment Rights Act 1996 s8).															
<b>itemized deductions</b>	In USA, a list of personal expenses as set out in the IRS code which a taxpayer may claim as an alternative to the <b>standard deduction</b> .															
<b>items subject to legal privilege</b>	Term used in Taxes Management Act 1970 s20C(4A) to describe documents which cannot be taken by HMRC when they enter premises with a warrant.															
<b>ITEPA</b>	Income Tax (Earnings and Pensions) Act 2003.															
<b>iteration</b>	<p>Mathematical method used for solving problems which can be defined but not easily solved by other branches of mathematics. An example is calculating <b>internal rate of return</b> or a square root (when only the basic arithmetic functions are available).</p> <p>Iteration works by guessing at an answer, testing it, and refining it in the light of that test, until the answer is sufficiently accurate.</p> <p>For example, suppose we want to know the square root of 10 to four decimal places. We might guess that the answer is 2. Dividing this into 10 gives us 5, so we know the answer lies between 2 and 5. We then divide by the average of these two numbers, and continue this process.</p> <p>This will give these answers:</p> <table border="1"> <thead> <tr> <th>Number</th> <th>10 ÷ number</th> <th>Average</th> </tr> </thead> <tbody> <tr> <td><b>2</b></td> <td>5</td> <td>3.5</td> </tr> <tr> <td><b>3.5</b></td> <td>2.857</td> <td>3.1785</td> </tr> <tr> <td><b>3.1785</b></td> <td>3.1461</td> <td>3.1623</td> </tr> <tr> <td><b>3.1623</b></td> <td>3.1623</td> <td>3.1623</td> </tr> </tbody> </table>	Number	10 ÷ number	Average	<b>2</b>	5	3.5	<b>3.5</b>	2.857	3.1785	<b>3.1785</b>	3.1461	3.1623	<b>3.1623</b>	3.1623	3.1623
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<b>3.1785</b>	3.1461	3.1623														
<b>3.1623</b>	3.1623	3.1623														

Even though our first guess was some way out, it took only three iterations to get an accurate answer.

<b>itinerant trade</b>	<p>Trade or employment that necessarily involves travelling.</p> <p>In such cases, the costs of meals and hotel accommodation are generally tax-deductible and are not caught by the <b>duality</b> principle. The matter is discussed in the Inspectors' Manual at BIM37670.</p>
<b>itinerant worker</b>	<p>Person whose work involves them in travelling to different work locations.</p> <p>Such a worker is generally entitled to claim tax relief for food and drink under Income Tax (Trading And Other Income) Act 2005s57A.</p>
<b>ITLR</b>	<p>International Tax Law Reports, a series of <b>law reports</b> first published in 1998.</p>
<b>ITP</b>	<p>(1) International Trade Prototype, a system for facilitating trade by using electronic data transmission. This allows the export declaration in the country of despatch to function as the import declaration in the destination country.</p> <p>(2) Illicit trade protocol, produced by World Health Organisation to regulate or ban harmful products.</p>
<b>ITR</b>	<p><b>Individual turnover report.</b></p>
<b>ITS</b>	<p><b>Intermarket Trading System.</b></p>
<b>ITSA</b>	<p>Income tax self-assessment.</p>
<b>ITTOIA</b>	<p>Income Tax (Trading and Other Income) Act 2005</p>
<b>IVA</b>	<p><b>(1) Individual Voluntary Agreement</b></p> <p>(2) Imposta sul valore Aggiunto, Italian for "value added tax".</p> <p>(3) Imposto sobre o Valor Acrescentado, Portuguese for "value added tax".</p> <p>(4) Impuesto sobre el Valor Anadidio, Spanish for "value added tax".</p>
<b>IVA equity release</b>	<p>When a person subject to an IVA raises funds by selling property before the IVA ends.</p>
<b>IVA proposal</b>	<p>Document submitted to the court to obtain an IVA.</p>
<b>ivory</b>	<p>Material from the tusks of elephants.</p> <p>Ivory and goods made from ivory may be seized by Customs if brought into the UK unless the holder has a <b>CITES</b> permit.</p> <p>From 2016, it is generally illegal to sell any ivory unless it predates 1947.</p>
<b>Ivory Coast</b>	<p>English name of African state now generally known as Cote d'Ivoire. Ivory Coast is the name of the UK double taxation convention of 1985.</p>
<b>iXBRL</b>	<p>Inline Extensible Business Reporting Language. This is a protocol for identifying financial data that must be used when submitting corporation tax returns from 2011.</p>

## J

- J**      **Vehicle excise duty**  
Rate band for vehicles with emissions between 186 and 200 gm/km.
- Other meanings**
- (1) Abbreviation for judge, or “Mr Justice ....”
  - (2) Suffix for a **tax code** used only in 2001/02. It indicated that the taxpayer was entitled to the married couple’s allowance and only paid tax at the then starter rate of 10%.
  - (3) Alternative for I denoting 1 in Roman numerals.
  - (4) Joule, unit of energy.
- J5**      Alliance of five countries comprising the UK with Australia, Canada, Netherlands and USA formed on 2 July 2018. It brings together tax intelligence between the countries to fight tax crime.
- J\$**      Abbreviation: Jamaican dollar.
- 110 jactitation of marriage**      False assertion that a person is married to someone.
- Jaffa cake**      Product comprising a small piece of sponge cake covered in orange jam and coated with chocolate.  
The VAT tribunal held that this was a zero-rated cake and not a standard-rated chocolate biscuit as:
- the sponge element of a Jaffa cake is virtually identical to a zero-rated sponge cake
  - the Jaffa cake was moist like a cake
  - the sponge was an essential part of the cake; it was more than a base for the jam and chocolate
- (United Biscuits (UK) Ltd. [1991] VTD 6344)*
- JAM**      **Just about managing.**
- Jamaica**      Caribbean nation. Its currency is the Jamaican dollar of 100 cents. The UK has a double taxation agreement of 1973.
- James I**      (1) King of Great Britain from 1603-1625. He was James VI of Scotland.  
(2) King of Scotland from 1406 to 1437.
- James II**      (1) King of Great Britain from 1685 to 1688. He was James VII of Scotland.  
(2) King of Scotland from 1437 to 1460.
- James III**      King of Scotland from 1460 to 1488.
- James IV**      King of Scotland from 1488 to 1513.

<b>James V</b>	King of Scotland from 1513 to 1542.
<b>James VI</b>	King of Scotland from 1567 to 1625. He became James I, King of Great Britain in 1603.
<b>James VII</b>	King of Scotland from 1685 to 1688, while reigning as James II, King of Great Britain.
<b>jam jar accounting</b>	Simple form of cash-based budgeting. Amounts are set aside from income to meet a specific need, such as council tax, energy bills, insurance etc. The term comes from the practice of putting the amounts in jam jars.
<b>jam jarring</b>	Service provided by some financial bodies for low income households. It allocates part of regular income to outgoings such as council tax, hire purchase, telephone etc. The term comes from <b>jam jar accounting</b> .
<b>Jane</b>	Queen of England (1537-54) for 9 days from 10 July to 17 July 1553, aged 16, when she was deposed and later executed. She is also known as Lady Jane Grey.
<b>January</b>	First month of the calendar year and tenth month of the financial year. It has 31 days.
<b>January effect</b>	Tendency of share prices to rise at the start of a new calendar year.
<b>Japan</b>	Nation comprising islands in the Pacific Ocean. Its currency is the yen of 100 sen. The UK has a double taxation convention of 2006, amended by a protocol of 2013, and a memorandum of understanding on Article 25 mutual agreement procedure.
<b>Japanese candlestick chart</b>	<p>In investment, a charting technique that marks opening and closing prices to indicate whether a market is moving up or down.</p> <p>The term comes from its original use in the 17<sup>th</sup> century to predict the prices of rice.</p>
<b>Japanese knotweed</b>	<p>Plant whose Latin name is <i>Fallopia japonica</i>. It was introduced to the UK in Victorian times as an ornamental garden plant and as a means of stabilising railway embankments. The plant has no natural predators and can be very destructive. For example, it can push through tarmac. It can be a problem to eradicate.</p> <p>For landfill tax purposes, HMRC stated in <i>HMRC Business Brief 62/2008</i> that the plant is regarded as a <b>substance</b> which qualifies for <b>land remediation relief</b>. Previously HMRC did not accept that a plant could qualify for this relief.</p>
<b>jark</b>	Seal on a document, often a forged document.
<b>Jarvis v Swan Tours</b>	Court case of 1973 which held that a person could sue for mental distress.

<b>Jay Treaty</b>	Treaty of 1799 between the UK and USA for dealing with disputes. It is regarded as the first instance of <b>arbitration</b> in an international agreement.
<b>JBL</b>	Journal of Business Law. It contains some law reports.
<b>JC</b>	Justiciary Cases, a series of Scottish law reports.
<b>JCCC</b>	Joint Customs Consultative Committee, a forum for discussion and consultation between HM Customs and Excise and various trade bodies and other organisations representing companies involved in international trade.
<b>JCT contract</b>	Contract used for most forms of building project.
<b>J curve</b>	Shape on a graph which looks like an elongated letter J. It illustrates the effect of a falling exchange rate on a country's balance of trade.
<b>JD</b>	Abbreviation: Jordanian dinar.
<b>JDI</b>	Just do it, business jargon.
<b>jeans</b>	These are zero-rated for VAT if designed for young children. Further details are given in VAT Notice 714. The matter has been heard by the tribunals in the cases <i>VF Corporation (UK) Ltd [1979] VTD 898</i> and <i>R Kaur Singh [1986] VTD 2433</i> ).
<b>JEB</b>	<b>Judicial Executive Board.</b>
<b>Jenkin, Patrick</b>	English Conservative politician (1926- ) who was Secretary of State for Social Services from 4 May 1979 to 14 September 1981.
<b>Jenkins, Roy</b>	Labour politician (1920-2003) who was Chancellor of the Exchequer from 30 November 1967 to 19 June 1970 in Harold Wilson's government. He raised taxes to deal with economic crises and got the national current account into surplus by 1969. He went on to hold other senior positions, including President of the European Commission. He was Shadow Chancellor from 20 June 1970 to 19 April 1972.
<b>Jenkins Committee</b>	Committee chaired by Lord Jenkins that reported in 1962 on the operation of Companies Act 1948 and other company legislation. It sought to achieve a balance between imposing protections for shareholders, creditors and investors, while unduly becoming burdensome to companies. Many of its recommendations were enacted as Companies (Amendment) Act 1967.
<b>jeofail</b>	Old legal term for an error, omission or oversight in legal proceedings.
<b>JEP</b>	<b>ISO code</b> for Jersey pound.
<b>Jeroboam</b>	Champagne bottle with a capacity of four standard bottles.



<b>Jersey</b>	<p>The largest of the Channel Islands. It owes allegiance to the British crown but is an independent democracy with its own legal system and tax rules. It has its own currency based on UK currency and valued at par, but Jersey currency is not legal tender in the UK.</p> <p>Jersey is not a member of the European Union but is part of its Customs union.</p> <p>The UK has a double taxation arrangement of 1952 amended by an arrangement of 2009.</p>
<b>jet aircraft</b>	<p>A jet aircraft is <b>plant</b> for the purposes of capital allowances.</p> <p>A problem arises in determining whether it is a long-life asset as much of the aircraft is replaced quickly. British Air Transport Association (BATA) estimates that only 39% (by value) of an original jet remains after 25 years.</p> <p>An agreement was been reached on the matter between HMRC and BATA in 1999 and applied until 2003. The current provisions are given in the Inspector's Manual at CA23782.</p> <p>Broadly, a jet with fewer than 60 seats is not a long-life asset. Similarly, a turbo-prop airliner with a maximum take-off weight above 5,700 kilograms is not a long-life asset.</p> <p>Executive jet aircraft are generally regarded as long-life assets. This also includes fixed wing turbo prop or piston-driven aircraft with a maximum take-off weight above 2,730 kilograms. If either type of jet aircraft is used for more than 600 flying hours a year, it comes within the 50:50 rule.</p> <p>For other jet aircraft, the 50:50 rule applies. This regards half the cost of the jet as a long-life asset and the other half as normal plant and machinery.</p>
<b>jetsam</b>	<p>Goods jettisoned from a ship and then washed up on shore. Some authorities limit the term to goods washed up from a ship that has sunk.</p>
<b>jetty</b>	<p>For capital allowances, this is specifically excluded from the scope of plant and machinery (Capital Allowances Act 2001 s22(1) List B).</p> <p>In connection with carrying plant and machinery, 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.</p>
<b>JGB</b>	<p>Japanese government bond.</p>
<b>jiao</b>	<p>One tenth of a yuan, currency of China.</p>
<b>JISA</b>	<p><b>Junior individual savings account.</b></p>
<b>jitney</b>	<p>American slang for a 5-cent coin; public vehicle with a low fare.</p>
<b>jizya</b>	<p>Protection money demanded by Muslim prisoners, according to press reports in 2015. It is also called a protection tax.</p>
<b>JMD</b>	<p><b>ISO code</b> for Jamaican dollar.</p>

<b>Jnr</b>	<b>Junior.</b>
<b>job</b>	(1) Employment position held by an individual. (2) Piece of work to be done.
<b>jobber</b>	Dealer in shares before Big Bang in October 1986.
<b>Jobcentre</b>	Local employment exchange which was run by the Employment Service when it was merged with the Benefits Agency in 2002 to form <b>Jobcentre Plus</b> .
<b>Jobcentre Plus</b>	Body formed in 2002 by a merger of <b>Jobcentres</b> and the Benefits Agency. It is now part of the Department of Work and Pensions (DWP). Its function is to provide working age support in the UK. Since 2011, many of these services are provided directly by DWP.
<b>job cost</b>	In management accounting, cost of a product or service supplied to a customer, including both direct and indirect costs.
<b>job cost record</b>	Document recording the materials, labour and overheads on a particular job.
<b>job costing</b>	In management accounting, system of cost accumulation where there is an identifiable activity for which costs can be allocated.
<b>job lock</b>	Situation where someone wants to leave their job but does not want to lose the pay or benefits that go with it.
<b>job lot</b>	Collection of items treated as a single item, such a collection of items sold at auction.
<b>Jobmatch</b>	Government scheme to certain social security claimants who take a job. They receive a sum for six months after starting work. It was launched as a pilot scheme on 3 April 1995 and became a national scheme on 7 April 1997. It is now replaced with other schemes. Payments under the scheme were made tax free under an extra-statutory concession. The name is currently used for an initiative in Wales, and by a commercial organisation.
<b>Job Release</b>	A scheme introduced in 1977 under Job Release Act 1977 which allowed tax-free payments to be made to people approaching retirement age to create job vacancies which would otherwise not exist. It was originally planned to last for 18 months, but was twice extended by Statutory Instrument, finally ending on 29 September 1988.
<b>jobseeker's allowance (JSA)</b>	Social security payment to someone looking for work. It is paid for six months to those with adequate national insurance contributions record. The relevant law is Jobseekers Act 1995. In Northern Ireland, the allowance is paid under Jobseekers (Northern Ireland) Order 1995. The payment is subject to income tax (Income Tax (Earnings And Pensions) Act 2003 s660(1)). The collection is governed by PAYE regulations SI 2003 No 2682 from reg 148.

In addition to the contribution-based JSA, there is a separate means-tested version known as income-based jobseeker's allowance. This is replaced by **universal credit** under Welfare Reform Act 2012 s33(1)(a).

**jobseeker's allowance adjustment**

Revised figure of jobseeker's allowance after a previous figure has been advised. The responsibility of the Department of Work and Pensions is given in PAYE regulations SI 2003 No 2682 reg 160.

**jobseeker's direction**

"Means a direction given by an **employment officer** (in such manner as he thinks fit) with a view to achieving one or both of the following —  
(a) assisting the claimant to find employment;  
(b) improving the claimant's prospects of being employed"  
(Jobseekers Act 1995 s19A(11) as inserted by Welfare Reform Act 2012 s46(1)).

**jobseeking period**

Period for which a person meets all the conditions for jobseeker's allowance.

**jobs for the boys**

Colloquialism for when employment is created for friends rather than because the work needs to be done.

**jobsworth**

Colloquial term for a security guard or similar person who takes an uncompromising position on enforcing rules. The expression is a contraction of "it's more than my job's worth..."

**joci causa:**

Latin: for the joke.

**jockey**

A jockey may retire on a personal pension at the age of 45, 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).  
This provision applies to both national hunt jockeys and to flat racing jockeys.

**Jockey Club**

Select body that oversees horse racing, formed in 1750.

**JOD**

**ISO code** for Jordanian dinar.

**joe**

Old name for a low value coin, such as 3d coin in 1860, and later a 4d coin.

**joey**

Alternative name for **joe** meaning a coin.

**John**

King of England from 1199 to 1216.

**John Balliol**

King of Scotland from 1292 to 1296.

<b>Johnson, Alan</b>	Labour politician (1950- ) who was Shadow Chancellor from 8 October 2010 to 20 January 2011. He was also Secretary of State for Work and Pensions from 8 September 2004 to 6 May 2005.
<b>joining fee</b>	Fee charged by a body for joining it. It is generally treated as the same as the annual subscription. The VAT position is given in VAT leaflet 701/5.
<b>joint account</b>	Account which is shared by two people, particularly a married couple. HMRC has the power to seize funds held in a bank account without needing the power of any court. For a joint account, the power is restricted to a fraction of the <b>available amount</b> , as set out in Finance (No 2) Act 2015 Sch 8 para 7(4).
<b>joint and several liability</b>	Legal right to sue any member of a group when a sum is owed by that group. This liability only arises in specific situations, such as in a partnership. For VAT, such a liability may arise under Value Added Tax 1994 s77A.
<b>joint claim</b>	Claim for tax credits made by two people together, as against a <b>single claim</b> (Tax Credits Act 2002 s3(8)).
<b>joint claimants</b>	For <b>universal credit</b> , means “members of a <b>couple</b> who jointly make a claim or in relation to whom an award of universal credit is made” (Welfare Reform Act 2012 s40). In relation to payments of benefits, there are further provisions in Welfare Reform Act 2012 from s100.
<b>joint committee</b>	In relation to local authorities, water boards and similar, documents relating to conveyance of property are exempt from stamp duty (Finance Act 1952 s74).
<b>joint cost</b>	Cost borne by two or more people, or where a cost is apportioned between two or more cost centres.
<b>Joint Fraud Taskforce</b>	Initiative launched on 10 February 2016 by the Home Secretary . It brings together the police, payment providers, banks and regulatory bodies to tackle fraud.
<b>joint funding</b>	A grant project supported by more than one donor, each of whom may provide monies for a specific component of the overall project or who may contribute to a common pool of funds.
<b>joint interest in land</b>	Capital gains tax implications are given in Taxation of Capital Gains Act 1992 from s248A.
<b>joint liability</b>	Liability of two persons for a debt.
<b>joint life and survivor annuity</b>	Annuity that provides income until the second death, usually of a married couple.

<b>joint life annuity</b>	An annuity contract that pays a benefit throughout the joint lifetime of two people.
<b>joint life assurance</b>	Assurance policy taken out on two lives, typically a married couple. The sum assured is usually paid on the first death.
<b>joint life first death</b>	<b>Joint life policy</b> that pays on the first death of two people.
<b>joint life policy</b>	Assurance policy written on the lives of two people, usually a couple living together. The policy can be written to pay out on the first death (which is more common) or on the second. Sometimes it can be more cost-effective simply to take out two single life policies.
<b>joint life second death</b>	<b>Joint life policy</b> that pays when both assured people have died.
<b>joint management</b>	Management undertaken by two or more people or bodies.
<b>joint mediation</b>	Form of <b>mediation</b> where the two parties are together and being assisted by a mediator, as against other forms such as <b>shuttle mediation</b> . It is the commonest form of mediation.
<b>joint offer</b>	In the context of a <b>takeover bid</b> , means an "offer by two or more persons jointly" (Companies Act 2006 s987(1)). The section continues with the relevant company law.
<b>joint ownership</b>	Ownership by two or more people or bodies.
<b>joint property</b>	Property that is owned by two or more people. The legal and tax treatment can depend on whether it is owned as a <b>joint tenancy</b> or as a <b>tenancy in common</b> .
<b>joint stock bank</b>	Bank which is a quoted public company.
<b>joint stock company</b>	Public company whose shares are owned by many people. The term is now generally replaced by <b>public limited company</b> . A legal definition of joint stock company is given in Companies Act 2006 s1041.
<b>Joint Tax Agent Strategy Steering Group (JTASSG)</b>	Forum between HMRC and representative tax agents. Its first meeting was held on 19 July 2011.
<b>joint tenancy</b>	Arrangement whereby two people co-own property, as against a <b>tenancy in common</b> where each person owns half the interest in the property. The distinction is important as only a tenant in common may leave his interest in the property in his will.
<b>joint unit-holder</b>	In the context of commonhold property, two people who jointly are a <b>unit-holder</b> (Commonhold and Leasehold Reform Act 2002 s13).

<b>joint venture</b>	<p>Two or more businesses working together on a project.</p> <p>The joint venture is not itself a legal entity. It may be convenient to act for its activities as if it were a joint venture, but the profits or losses must be apportioned between the venturers for accounting and tax purposes.</p>
<b>joker</b>	<p>One or two additional cards added to the normal set of 52 playing cards and used in some card games.</p>
<b>jolly</b>	<p>(1) Exercise undertaken more for pleasure than purpose.</p> <p>(2) In gambling, the favourite in a race, such as the horse with the shortest odds</p>
<b>Jomburi-ye Eslami-ye Afghanistan</b>	<p>Dari: Islamic Republic of Afghanistan. This is the formal name of the country in its own language.</p>
<b>Jones v Garnett</b>	<p>The 2007 case otherwise known as <b>Arctic Systems</b>.</p> <p>The case was notorious for its novel use of trust legislation to attack a husband and wife company. HMRC eventually lost.</p>
<b>Jones v Vernon Pools</b>	<p>Court case of 1938 which established that parties may agree that their arrangements shall not constitute a legal contract.</p>
<b>Jordan</b>	<p>Middle East country. Its currency is the Jordanian dinar of 100 dirhams. The UK has a double taxation convention of 2001.</p>
<b>Joseph, Keith</b>	<p>English Conservative politician (1918-1994) who was Secretary of State for Social Services from 20 June 1970 to 4 March 1974.</p>
<b>jottings book</b>	<p>Bound book in which a person records odd scraps of information, such as details from telephone calls or answering machines.</p> <p>The date is recorded. The advantage of a bound book is that details that would otherwise be written on scraps of paper are not lost.</p>
<b>joule</b>	<p>Unit of energy. Its symbol is J.</p>
<b>journal</b>	<p><b>Accounting</b></p> <p>In accounting, the <b>prime book of account</b> which records transactions which are not recorded in any other prime book of account.</p> <p>The journal is particularly used to record depreciation, accruals, prepayments, adjustments to provisions and reserves, bad debts, acquisitions and disposals of business, prior year adjustments, changes caused by adopting a new accounting policy, changes to share capital and any unusual or novel transactions. A journal is also used to open a set of books.</p> <p><b>VAT on publications</b></p> <p>A publication issued at least once a year. It is generally zero-rated for VAT under Value Added Tax Act 1994 Sch 8 Group 3. Details are given in VAT notice 701/10.</p>

**journal entry**

Record in a **journal**.

In **double-entry bookkeeping**, it records a transaction as one or more debits and one or more credits. The total debits must equal total credits. By convention, the debits are indented to the left in manuscript journals.

**journalise**

Express financial transactions or adjustments in the form of **journal entries**.

**journalist**

**VAT flat rate scheme**

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

From	Percentage
<b>4 January 2011</b>	12.5%
<b>1 January 2010</b>	11%
<b>1 December 2008</b>	9.5%
<b>1 January 2004</b>	11%

**journalistic material**

Such material may not be the subject of an **information notice** from HMRC or Revenue Scotland.

For HMRC, the exclusion is contained in Finance Act 2008 Sch 36 para 19(2). This defines journalistic material by reference to Police and Criminal Evidence Act 1984 s13.

For Revenue Scotland, the term is defined as "material acquired or created for the purposes of journalism" (Revenue Scotland and Tax Powers Act 2014 s136(2)).

**journals**

For VAT, a journal is zero-rated if it is issued at regular intervals at least once a year. They must essentially consist of reading matter. Catalogues and journals primarily consisting of advertising matter are standard-rated.

**journey**

For air passenger duty, "means the journey from his [the passenger's] original place of departure to his final place of destination" (Finance Act 1994 s43(1A)).

**journey-weight**

Amount of gold needed to produce 701 sovereigns, or 1402 half-sovereigns. The term was originally the quantity of coins that could be minted in one day.

The **trial of the pyx** uses journey-weights.

**JP**

- (1) Justice of the peace, ie a magistrate
- (2) A series of **law reports** first published in 2003.

**JPY**

**ISO code** for Japanese yen.

**JR**

**Judicial review**.

**JRC**

Jersey Royal Court.

**JROTC**

Junior Reserve Officer Training Corps.

<b>JSA</b>	<b>Jobseeker's allowance.</b>
<b>JSA Regulations</b>	In relation to PAYE "means the Jobseeker's Allowance Regulations 1996 or, in Northern Ireland, the Jobseeker's Allowance Regulations (Northern Ireland) 1996" (PAYE regulations SI 2003 No 2682 reg 148).
<b>JTASSG</b>	<b>Joint Tax Agent Strategy Steering Group.</b>
<b>jubilee</b>	<p>National celebration of landmark anniversaries, particularly of the monarch's accession. In the UK, the Queen's silver jubilee was in 1977, golden in 2002 and diamond in 2012. These were marked by commemorative coins, public holidays and other celebrations.</p> <p>In ancient Jewish history, this was every 50<sup>th</sup> year when slaves were freed and debts were cancelled.</p>
<b>Jubilee 2000</b>	<p>Campaign for <b>debt relief</b> launched during the 1990s requiring poor countries to have their unpayable loans written off by 2000. The campaign was led by Christian groups who saw it as appropriate to revive the ancient custom to write off debts at a time of jubilee.</p> <p>The campaign led to the <b>HIPC programme</b>.</p>
<b>judge</b>	"A person in charge of a trial in court who makes sure that the trial is fair, the law is followed, and passes sentence if the defendant is found guilty" (website of Crown Prosecution Service).
<b>Judges' Rules</b>	In criminal law, a system of rules regarding police conduct towards those who have been arrested. The Rules have now been largely replaced by the Police and Criminal Evidence Act 1974.
<b>judgment</b>	<p>(1) Decision of court, usually requiring a person to make a payment.</p> <p>(2) Various intelligence functions that produce a subjective view.</p> <p>[The word can be spelled judgement. It has the same meaning.]</p>
<b>judgmental pay-off</b>	In statistics, the expected result when subjective judgment has been factored in.
<b>judgment creditor</b>	Person who has acquired a court order against a debtor.
<b>judgment debt</b>	A debt due under a <b>judgment</b> .
<b>judgment in litigation</b>	<p>Judgment of a county court or higher court when HMRC is involved in litigation with a taxpayer. Under HMRC Notice of 19 March 2010, the terms of a judgment must be obeyed even when the judgment is under appeal. This means that the taxpayer must pay any tax owed and HMRC must refund any tax overpaid. Previously, payments or repayments were sometimes not made pending the appeal.</p> <p>Under a transitional provision, an agreement made before 9 December 2009 not to collect tax pending an appeal is honoured.</p> <p>HMRC also states that it will not enforce a judgment if the consequence is to put the taxpayer into bankruptcy or insolvency. The taxpayer should</p>



apply to HMRC to have the tax held over.

**judgment reserved**

In law, when a judge delivers his or her decision after the hearing has been concluded.

**judgment summons**

A summons issued requiring a person against whom a **judgment** has been obtained to attend court to answer questions about their means (County Courts Act 1984 s147(1)).

**judicature**

Authority and power to dispense justice.

**Judicial Appointments and Conduct Ombudsman**

Office created from 3 April 2006 under Constitutional Reform Act 2005 to investigate complaints about judges and judicial appointments.

**Judicial Appointments Commission (JAC)**

Body corporate established from 3 April 2006 under Constitutional Reform Act 2005 s61 to appoint judges and tribunal members.

**Judicial Committee**

Part of the **Privy Council** that acts as a court of appeal.

**Judicial Executive Board (JEB)**

“The Lord Chief Justice exercises executive and leadership responsibilities through, and with the support of, the Judicial Executive Board” (JEB website).

**judicial member**

Judge of the Court of Session, including a temporary judge but not the Lord President, who by holding such office may sit as a member of the **upper tax tribunal of Scotland** (Revenue Scotland and Tax Powers Act 2014 s27(1)).

**judicial proceedings**

In relation to perjury, “includes a proceeding before any court, 121tribunal, or person having by law power to hear, receive, and examine evidence on oath” (Perjury Act 1911 s1(2)).

**judicial review (JR)**

Power of a court to review a decision for which there is not otherwise an appeal procedure. Although this has been used for tax cases, these have rarely succeeded as there are specific procedures for tax appeals.

The **Upper Tribunal** has certain such functions (Tribunals, Courts and Enforcement Act 2007 s15).

Provisions for judicial review of tax cases in Scotland are set out in Revenue Scotland and Tax Powers Act 2014 from s40.

**judici officium suum excedenti non paretur**

Latin: effect is not given to the decision of a judge delivered in excess of his jurisdiction

**juke box**

For VAT purposes, this is regarded as an **amusement machine** (VAT notice 701/13).

**juke box**

Machine that plays records or recordings on payment.

Such a machine is specifically excluded from the scope of **amusement**

**machine licence duty.**

<b>July</b>	Seventh month of the calendar year and fourth month of the financial year. It has 31 days.
<b>jumble sale</b>	Event where unwanted items are collected from households and then offered for sale, usually as a fundraising exercise.
<b>jumbo loan</b>	American term for a mortgage loan which does not correspond to US federal government guidelines because it is too large.
<b>jump the broomstick</b>	Go through an irregular form of marriage.
<b>June</b>	Sixth month of the calendar year and third month of the financial year. It has 30 days.
<b>junior (Jnr)</b>	Person who is younger or lower in rank. A person who holds such a position. In law, the term often means a <b>junior counsel</b> . Sometimes the abbreviation is added after a person's name to distinguish him or (rarely) her to distinguish them from a parent with the same name.
<b>junior capital</b>	Term occasionally used to described funds such as <b>deferred shares</b> . Such capital is only repaid after claims for <b>senior capital</b> have been satisfied.
<b>junior counsel</b>	<b>Barrister</b> who is not a <b>Queen's Counsel</b> .
<b>junior ISA (JISA)</b>	Tax-advantage savings product similar to an <b>individual savings account (ISA)</b> . Its main provisions are: <ul style="list-style-type: none"><li>• the beneficiary must be aged under 18;</li><li>• there must be no <b>child trust fund</b> for the beneficiary;</li><li>• the ISA is administered by the person with parental responsibility until the beneficiary is 16;</li><li>• contributions of up to £3,000 a year may be made into the fund by anyone, including parents;</li><li>• a beneficiary may have one cash ISA and one shares ISA, but the annual limit applies to the two together;</li><li>• all returns on the ISA are tax-free;</li><li>• no amount may be withdrawn until the age of 18, except on terminal illness or death;</li><li>• at age 18, the junior ISA becomes an ordinary ISA.</li></ul>
<b>junior mortgage</b>	Term occasionally used to mean a <b>second mortgage</b> .
<b>junior partner</b>	Member of a partnership who holds a junior position, such as having contributed less capital or having less management responsibility than the senior partner.
<b>junior security</b>	Any security which ranks after other security.

<b>Junior Tax Facts</b>	Teaching material produced by HMRC to explain tax to school children.
<b>junk bond</b>	Bond offering a very high return and a very high risk. They have a credit rating no higher than BB. They were popular in the 1980s, fell out of favour, but have returned in the form of high yield bonds.
<b>junket</b>	Banquet or other event of indulgence, particularly when paid for from public funds.
<b>jura eodem modo destituuntur quo constituuntur</b>	Latin: laws are abrogated by the same means they are made.
<b>jural</b>	Pertaining to natural or positive rights.
<b>jura publica anteferenda privatis</b>	Latin: public rights are to be preferred to private
<b>jura regalia</b>	Latin: sovereign rights.
<b>jurat</b>	(1) Official memorandum at the end of an affidavit showing the time when it was sworn and before whom. (2) French term for a sworn officer or magistrate.
<b>jure divino</b>	Latin: by divine law.
<b>jure humano</b>	Latin: by human law.
<b>jurisprudence</b>	Science or knowledge of the law.
<b>Juror Digital</b>	Online service launched on 17 July 2018 to help potential jurors with such matters such as confirming availability, requesting a different date and authoritising someone to act for them.
<b>jury</b>	“Twelve people who have been chosen to listen to all the facts in a trial in a law court and to decide whether a person is guilty or not guilty” (website of Crown Prosecution Service).
<b>jury service</b>	The requirement of persons up to the age of 75 (70 before 1 December 2016) to form a jury when called upon to do so, unless excused. An employer must not stop an employee from serving on a jury, but does not have to pay for that absence. The court provides a payment to jurors.
<b>jus</b>	Latin: law, a legal right.
<b>jus accrescendi inter mercatores pro beneficio commercii locum non habet</b>	Latin: the right of survivorship among merchants, for the benefit of commerce, does not exist.

<b>jus canonicum</b>	Latin: canon law.
<b>jus civile</b>	Latin: civil law.
<b>jus divinum</b>	Latin: divine law.
<b>jus gentium</b>	Latin: law of nations.
<b>jus in personam</b>	Right against a specific person.
<b>jus in rem</b>	Justice against the whole as a whole.
<b>jus mariti</b>	Latin: right of the husband.
<b>jus publicum privatorum pactis mutari non potest</b>	Latin: Public law is not to be superseded by private agreements.
<b>jus quaesitum tertio</b>	Latin: right on account of third parties.
<b>jus soli</b>	General principle that one's nationality is the country in which one is born.
<b>jus spatiandi et manendi</b>	Latin: the right to stray and remain.
<b>Just About Managing (JAM)</b>	Description of households that are just about able to pay their bills and have a reasonable standard of living. The term started to be used from autumn 2016 to describe people earning between £18,000 and £30,000 a year.
<b>jus tertii</b>	Latin: the right of a third person.
<b>justice</b>	(1) System of law. (2) Magistrate, when the word is short for <b>justice of the peace</b> .
<b>justice of the peace (JP)</b>	Magistrate. For Customs purpose, the word "in Scotland includes a sheriff and in Northern Ireland, in relation to any powers and duties which can under any enactment for the time being in force be exercised and performed only by a resident magistrate, means a resident magistrate" (Customs and Excise Management Act 1979 s1(1)).
<b>Justice of the peace court</b>	Form of court similar to a magistrates' court established in Scotland under Criminal Proceedings etc (Reform) (Scotland) Act 2007 s59.
<b>justices' clerk</b>	Person appointed by the Lord Chancellor to assist magistrates (Courts Act 2003 s27). There are also assistant clerks.
<b>JV</b>	<b>Joint venture.</b>
<b>JVCC</b>	Joint VAT Consultative Committee – a forum for discussion and consultation between HMRC and various trade bodies and other organisations

representing parties concerned with VAT policy and practice.

**JV standard**

For the bank levy, “those provisions of international accounting standards which relate to **joint ventures**” (Finance Act 2011 Sch 19 para 44(8)).