



Leach's Tax Dictionary

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Tax code

Suffix to a PAYE tax code used from 6 April 2015. It indicates that the employee has transferred part of his or her personal allowance to their partner.

National insurance

National insurance contribution letter used for ocean-going mariners in a contracted out occupational pension scheme. The letter is not used from 6 April 2016.

Other meanings

- (1) Abbreviation used in text to denote either a name or a number.
- (2) Old Roman numeral for 90.
- (3) Indication in a draft document to insert the name of a person or business.
- (4) Atomic symbol for nitrogen.
- (5) In relation to HMRC's power to seize funds from a bank account without reference to any court, the number of persons who hold a **joint account**. (Finance (No 2) Act 2015 Sch 8 para 7(4)).
- (6) For apprenticeship levy, relevant percentage of the pay bill for the year (Finance Act 2016 s99(2)).

n

In algebra, a representation of a number, particularly an ordinal.

Naafi

Organisation that provided canteens for service personnel.

Naamloze Vennotschap (NV)

Dutch: limited company.

nab

Colloquialism meaning to arrest.

nabob

Person who has made himself wealthy and consequently sees himself as important. The term was originally limited to Europeans who made themselves wealthy in the East.

Naboth's vineyard	Possession so coveted by someone that they will use any means, however unscrupulous, to obtain it. The term comes from 1 Kings 21 in the Bible.
NACE classification	"The first level of the common statistical classification of economic activities in the European Union established by Regulation (EC) No 1893/2006 of the European Parliament and the Council of 20 December 2006 (as that Regulation has effect from time to time)" (Capital Allowances Act 2001 s51G(7)). A company engaged in such activity may have a restricted right to claim annual investment allowance .
NACUE	National Association of College and University Entrepreneurs.
NAD	(1) No abnormality detected. Common abbreviation for sick notes (HMRC leaflet E14). (2) ISO code for Namibian dollar.
NADFAS	National Association of Decorative and Fine Arts Societies.
NAEA	National Association of Estate Agents.
NAFD	National Association of Funeral Directors.
NAFTA	North American Free Trade Agreement.
Na h-Eileanan an Iar	Scottish constituency formerly known as Western Isles. The term is Scottish Gaelic for Western Isles. There are some special provisions under Islands (Scotland) Act 2018 s18.
NAIC	National Association of Investors Corporation.
naked	Description of any financial arrangement which is not hedged or otherwise protected.
naked position	Position of an investor which is not covered by an opposite position.
nakfa	Currency of Eritrea.
nag box	Box that appears unprompted on a computer screen to remind you to do something, such as to upgrade your software.
nail	(1) Old unit of weight equal to about eight pounds. (2) Old unit of length equal to 2¼ inches.
NALC	National Association of Local Councils.
nama al-mal	Capital accumulation under Islamic finance .

Name	Member of Lloyd's insurance market who underwrites insurance policies.
name	<p>The words by which a person, company, business or other item is generally known.</p> <p>For individuals, the name is broadly whatever a person wishes to be called. This usually comprises Christian name and surname. For many people, the surname is the same as the person's father, and the Christian names are whatever the parents have chosen. However, there is no law requiring this.</p> <p>For company directors, the name means a person's Christian name and surname (Companies Act 2006 s163(2)) with exceptions for titled people. The register of directors must also give any former name.</p> <p>An individual may run a business using his surname, with or without a first name or initial under provisions of Companies Act 2006 s1192.</p>
name and arms clause	<p>Clause in a settlement providing that a beneficiary loses his or her entitlement unless they use a specified surname and any coat of arms.</p> <p>Such a clause is only valid if sufficiently precise.</p>
name and shame	<p>Popular name given to the provisions of Finance Act 2009 s94. This section allows HMRC to publish the names of those who attempt to cheat HMRC of at least £25,000 tax from 1 April 2010.</p> <p>A similar provision exists for those who do not pay the national minimum wage.</p>
name-blind	<p>In human resources, process of job selection where the person's name is withheld to avoid any risk of prejudice on grounds of race, ethnicity or sex. This is generally considered in effective because:</p> <ul style="list-style-type: none">• the CV will often reveal this information anyway, such as by listing the schools attended, and• the person's race and sex will be immediately apparent at interview.
named sums	<p>Tax charged between 1514 and 1516. A sum of £160,000 was ordered to be raised each year according to wealth, but with no precise formula. The actual sum raised each year was less than £50,000.</p>
Namibia	<p>African country. Its currency is the Namibian dollar of 100 cents which is kept at parity with the South African rand. The UK has a double taxation convention of 1962 amended by a protocol of 1967.</p>
nanny	<p>Person who is paid to look after a child, usually while the parents are away working.</p> <p>A nanny is an employee who must be paid under the PAYE system, usually, with class 1 national insurance deducted. A nanny is also entitled to all benefits under employment law, such as holidays and sick pay.</p> <p>If an employer pays for an employee to have a nanny, the employee is subject to tax and the employer to class 1A national insurance on the cost of the nanny, including the employer's national insurance.</p>
nano-	<p>Prefix used in metric units. It means 10⁻⁹.</p>

Nansen passport	Passport issued by League of Nations between 1920 and 1922 to stateless persons.
NAO	National Audit Office.
NAO-approved services	Services approved by the National Audit Office in accordance with Budget Responsibility and National Audit Act 2011 Sch 3.
nap	The many meanings of this word includes a racing tip that professes to be a certainty.
NAPF	National Association of Pension Funds.
Napierian	Pertaining to John Napier (1550-1617), a French mathematician, and particularly to his logarithms to the base e.
Napier's bones	Early form of calculating machine invented by John Napier. The name comes from the rods used.
NAPM	National Association of Purchasing Management, founded in 1915, and now known as the Institute of Supply Management.
napoleon	French gold bullion coin issued in 19 th and early 20 th centuries. It is named after the French leader (1769-1821).
napoo	First world war slang for something that is no longer of any use.
nappies	These are zero-rated for VAT as clothing for young children. This applies both to disposable and reuseable nappies. The Court of Appeal held that nappies supplied in a plastic toy box were a single zero-rated supply (<i>Kimberley-Clark Ltd v HMRC [2004] STD 473</i>).
narcotics	Type of drug. Their use by employees should be covered by a drugs policy .
NAREIT	National Association of Real Estate Investment Trusts, a US body.
nark	Slang for a police informer.
narration	Brief text which appears in the journal and other books of account to provide such details of the transaction as are not obvious from the information otherwise recorded.
narrative reporting	Reporting on a business expressed in text rather than figures. Narrative reporting for companies is required by Companies Act 2006 s417, with additional requirements from 1 October 2007. The Accounting Standards Board has produced a Reporting Statement on narrative accounting.

narrow market	In investment, market where the trading is light, leading to low liquidity and wide spreads.
narrow money	In economics, the most limited definition of money supply, as represented by categories M0 in the UK, or M1 in the USA.
NAS	National Advice Service , the HMRC network of advice centres that exist to provide advice and assistance on Customs, Excise and VAT matters. The local rate national telephone number was 0845 010 9000. It has now been replaced by 134 dedicated enquiry services. The number for general income tax queries is 0300 200 3300.
NASD	National Association of Securities Dealers.
NASDAQ	National Association of Securities Dealers Automated Quotation System. It is pronounced as nazz-dak. NASDAQ is the largest electronic securities trading system in the world. It started on 8 February 1971 as the first electronic exchange. It is now owned and operated by NASDAQ OMX Group which is itself listed on NASDAQ. In 2006 it became a national securities exchange.
NASES	National Association of Student Employment Services.
nation	Strictly speaking, a nation is a political area whereas a country is a geographical area. However, this distinction is not always made.
National Advice Service	Part of HMRC that deals with general telephone enquiries on tax matters from businesses and the general public. It can answer general tax questions and issue forms and notices. It cannot deal with specific tax queries that relate to particular individuals or businesses. The telephone number is 0845 010 9000. It is open from 8am to 8pm, Monday to Friday. There is a textphone for the hard of hearing on 0845 000 0200. A Welsh speaking service is provided on 0845 010 0300.
National Anti-Sweating League	Organisation formed in 1906 from union campaigns. The League campaigned against sweated labour in the clothing industry. They were succeeded in the Trade Boards Act 1909.
National Assembly for Wales	Proper name for the devolved authority, generally known as the Welsh Assembly.
National Association of Investors Corporation (NAIC)	In the USA, a non-profit organisation based in Michigan whose membership comprises investment clubs.
National Audit Office (NAO)	Independent of Government the National Audit Office (NAO) audit the accounts of all government departments and agencies as well as a wide range of other public bodies. They report to Parliament on the economy, efficiency

and effectiveness with which government bodies have used public money.

Its functions are now governed by Budget Responsibility and National Audit Act 2011 s20 and Sch 2.

national bank

Bank which operates throughout the whole country and not just in part of the country.

In the USA, the term means a bank which is part of the Federal Reserve system, as against a state bank.

national broadcasting company

In relation to capital allowances on shared transmission facilities, "means a body corporate engaged in the broadcasting for general reception by means of wireless telegraphy of radio or television services or both on a national basis" (Finance Act 1991 s78(8)).

National Clearance Hub (NCH)

Part of HMRC. It is a single national site that has replaced entry processing units at major airports and ports.

national conditions of sale

Set of standard conditions widely used.

Common examples include the conditions for the sale of land as used by solicitors.

National Consumer Council

Body established under Consumers, Estate Agents and Redress Act 2007 s1 to represent interests of consumers.

National Crime Agency (NCA)

UK law enforcement agency formed on 7 October 2013 to replace the Serious Organised Crime Agency.

NCA is a non-ministerial government department.

Its website is www.nationalcrimeagency.gov.uk.

National Crime Squad

Body of police officers formed in April 1998 under Police Act 1997 from the merger of six regional squads. From 1 April 2006, it is merged into the Serious Organised Crime Agency.

National Cyber Security Centre (NCSC)

Government body, part of GCHQ, that provides guidance and other assistance in dealing with threats from cyber attacks. It was formed in October 2016 from predecessor bodies.

National Debt

"The total amount of debt owed by a government, raised through borrowing from individuals and institutions. It is the sum total of all previously incurred deficits that have not been paid" (HM Treasury glossary).

national defence contribution

An additional tax on profits used to pay for war. It was charged between 1937 and 1946 when it was replaced by **profits tax** which operated on the same rules despite the name change until its abolition in 1966.

National Educational Union (NEU)

Trade union for teachers formed on 1 September 2017 from the merger of the

National Union of Teachers and the Association of Teachers and Lecturers.

national emission cap Limit on the total greenhouse gas emissions that may be made by a state under the **European Union Emissions Trading Scheme**. The limits are agreed by the EU Commission.

The national limit is then auctioned off in parcels as **emissions allowances** for which there are specific tax provisions.

National Employment Savings Trust (NEST)

New form of state-controlled pension scheme introduced from October 2012 for larger employers and extending to other employers by 2017. An employer may use a suitable private supplier.

It is governed by Pensions Act 2008.

The NEST was originally called a personal account.

All employees from the age of 22 to state retirement age are **auto-enrolled**. This means that they automatically subscribe to a NEST unless they opt out. Employees aged between 16 and 20 or between state retirement age and 74 may join voluntarily.

The full premium is 3% from employee, 5% from employer and 1% as tax relief. This full premium is payable from October 2017.

National Endowment for Science, Technology and the Arts (NESTA)

Body corporate formed under National Lottery Act 1998 s16.

Its objects "are to support and promote talent, innovation and creativity in the fields of science, technology and the arts" (National Lottery Act 1998 s17(1)).

national expansion area Areas where universal credit was introduced from February 2015 for claimants who satisfy the Gateway conditions.

national expenditure Total level of expenditure in an economy. It will also be equivalent to the total level of output and the total level of income in the economy.

National Export System (NES) An electronic system of managing declarations to Customs officers at HMRC. It was introduced in 2003 as **New Export System**, and was renamed in 2007. Large businesses may deal with NES direct. Smaller businesses may use export agents to do so. Details are given in Customs notice 276.

National Family and Parenting Institute (NFPI)

Body established by the government in 1999 to promote family-friendly policies. In 2006 it was renamed **Family and Parenting Institute**. In 2013, this body merged with the Daycare Trust to become the Family and Childcare Trust.

National Film and Television School (NFTS)

Training establishment formed in 1971 and initially funded from the **Eady levy**.

National Film Finance Corporation (NFFC)

Body that existed between 1949 and 1985 to help fund British film

production.

national flood and coastal erosion risk management strategy

Strategy that must be developed by the Environment Agency under Flood and Water Management Act 2010 s7. The Agency may issue levies under s17 to local flood authorities.

national forest estate

For Scotland, this term is defined in Forestry and Land Management (Scotland) Act 2018 s13.

National Futures Association (NFA)

American self-regulatory body for the futures industry.

National Government

Coalition government from 1931 to 1940 led by Labour leader Ramsay MacDonald after the collapse of the Labour government.

National Grid

National network of cables and pylons established from 1926 to provide everyone in the country with access to electricity at a standard voltage.

National Health Service (NHS)

Publicly funded health care service in UK which was created on 5 July 1948 under National Health Service Act 1946. Since formation, it has provided about 92% of all health care in the UK with only 8% from private health care.

The NHS is funded from general taxation with a contribution from the national insurance fund.

National Health Service Commissioning Board

Body established by National Health Service Act 2006 s1H as inserted by Health and Social Care Act 2012 s9.

National Identity Register

Register of individuals (Identity Cards Act 2006 s1).

National Identity Scheme Commissioner

Person appointed as such under Identity Cards Act 2006 s22, now repealed.

National Import Reliefs Unit (NIRU)

Customs office located in Enniskillen. It is the office mainly responsible for administering a wide range of import duty reliefs.

national income

Value of all sales of goods and services from businesses in a country.

national income accounts

Economic statistics for a country over a defined period.

National Infrastructure Commission (NIC)

Body established on 5 October 2015 to provide opinion based on the UK's needs for infrastructure.

National Infrastructure Plan

Plan announced in the Autumn Statement of 2011 for public spending in infrastructure plans to stimulate the economy.

national insurance

General

A charge on earnings which funds **social security**.

Strictly, this is not a tax but a compulsory insurance premium. Since its introduction in 1911 it has evolved from an insurance premium into a tax, though some elements of the insurance principle remain.

The system was recast and made more generous in 1948, since when it has progressively lost the character of insurance (premium is related to amount of cover and likelihood of claiming) and assumed the nature of a second income tax.

Six classes

National insurance is now collected under six classes, known as 1, 1A, 1B, 2, 3 and 4. Most national insurance is collected as class 1. There is a seventh temporary class 3A.

Class 1 national insurance is paid by employees and their employers on earnings which lie between an employment tribunal and upper earnings limit. Class 1A and 1B are paid by employers only (not by employees) on the value of benefits provided to employees.

Classes 2 and 4 are paid by the self-employed. Class 2 is a fixed weekly amount. Class 4 is charged on a slice of taxable profits.

Class 3 is a voluntary contribution payable by anyone who needs to maintain their contribution record. Class 3A is a single voluntary contribution payable between 12 October 2015 and 5 April 2017 by anyone who wishes to increase the amount of their state retirement pension.

Tax relief

An employee cannot claim tax relief for employee's national insurance, but an employer may claim relief for employers' national insurance (Income Tax (Earnings And Pensions) Act 2003 s360A).

A taxpayer may not claim tax relief for the national insurance he or she pays (Income Tax (Trading And Other Income) Act 2005s53).

National Insurance Commissioners

Officers responsible for administering national insurance. They were renamed Social Security Commissioners from 23 May 1980 (Social Security Act 1980 s12).

national insurance contributions

Payments of national insurance, particularly class 1, 2 or 3. These payments contribution to a person's entitlement to certain state benefits.

national insurance contributions settlement return (NSR)

Term usually used for national insurance for workers engaged abroad and paid under a tax equalisation agreement.

national insurance holiday

Short-term form of government relief by excusing an employer from paying employers' national insurance. There have been two such schemes.

There is a **regional secondary contributions holiday** under National Insurance Contributions Act 2011 s4. The main elements of this scheme are:

- it runs for three years from 6 September 2010 with retrospective effect from 23 June 2010
- it applies for defined regions, which are the whole UK except Greater London, and **East Region** and **South East Region** England
- relief is given for new businesses (in any form) established from 23 June 2010. It does not include newly acquired businesses
- the scheme is voluntary
- it only affects employers' national insurance. It does not affect any other tax, or employee's national insurance
- it provides relief for newly engaged employees for their first 12 months
- it applies for the first ten employees, and for employees first engaged within one year of engaging the first employee
- the relief is restricted to the employee's first year and to a maximum of £5,000 per employee
- there are some restrictions in accordance with rules on EU state aid.

The previous scheme ran from 6 April 1996 to 31 March 1999 and provided exemption from employers' national insurance for one year for each employee who had been unemployed for two years or had been working as a carer. This was introduced by SI 1996 No 195.

national insurance number A number which denotes a particular individual. Once allocated it stays with that individual for life, even if the individual changes sex. A national insurance number is only revoked or amended to correct an error or to remove a temporary number.

"The unique reference number used by HMRC and the Department for Work and Pensions to identify an individual's NICs record. It ensures that contributions paid by, and credited to, an individual are put on the right record so that whenever a claim to benefit is made, the correct amount can be paid." (CWG 2 Further Guide to PAYE, chapter 1).

The number is in the form of two letters, six digits and a final letter. These are usually written in pairs in the form AB 12 34 56 C. The first two letters indicate where the number was issued. The final letter has no purpose. Originally it indicated where national insurance returns were to be sent.

national insurance surcharge (NIS)

A payroll tax imposed by the government between 1977 and 1985 when it lost a parliamentary vote to increase income tax.

national insurance verification request (NVR)

System introduced in 2012 to assist employers in ensuring they have the correct national insurance number for each employee on the payroll.

nationalisation

"The act of bringing a privately owned asset such as a company or property under state control" (HM Treasury glossary).

Documents in connection with nationalisation are exempt from stamp duty (Finance Act 1946 s52).

They may also be exempt from capital gains tax under Taxation of

Capital Gains Act 1992 s271.

nationalised industry

Industry under the control of the government.

This exists because:

- the government created the industry,
- it was nationalised at a time when politicians believed this would lead to better management (roughly from 1945 to the 1980s), or
- it is temporarily and expediently held by the government pending its sale or return to the private sector.

National Islands Plan

Plan prepared for Scottish islands under Islands (Scotland) Act 2018 s3.

nationality

State of being a citizen of a country.

National Land Fund

Body established to acquire land for the state. It was originally set up in 1946 to acquire property to commemorate victory. It was replaced by National Heritage Memorial Fund in 1980 which can acquire other assets such as works of art and historic vehicles.

Under estate duty laws, a person could surrender property in lieu of estate duty. Finance Act 1946 s50 required the National Land Fund to reimburse Inland Revenue for such property accepted.

[This should be distinguished from the 19th century National Land Company that was set up by Chartists for political purposes.]

National Living Wage (NLW)

Higher rate of national minimum wage payable from April 2016 for workers aged 25 or more.

National Loan Guarantee Scheme (NLGS)

Government-backed scheme introduced in 2011 "which will invest in smaller and mid-sized businesses in the UK through non-bank channels" (Autumn Statement 2011).

National Lottery

National lottery introduced into the UK on 19 November 1994. It is governed by National Lottery Act 1993.

It is run by a licensee which has been Camelot Group from the beginning.

The lottery is supervised by the Gambling Commission. Before 1 October 2013 it was supervised by the now abolished National Lottery Commission.

The main lottery involves selecting six random numbers between 1 and 59 and paying a stake of £2 (£1 before October 2013). Random numbers are generated from a machine which drops numbered balls into a rack. This is shown live on national television.

There have been several variations in the operation of the scheme, including additional games, such as scratch cards introduced in 1995.

The stake money is applied:

- 53% as prizes
- 25% to "good causes"
- 12% lottery duty
- 4% to retailers

- 5% profit and operating costs of Camelot.

Participation in the National Lottery is not regarded as gambling (Gambling Act 2005 s15).

National Lottery Commission Body that originally supervised the **National Lottery**. This function is now undertaken by Gambling Commission.

The Commission was formed by National Lottery Act 1983 s3A inserted by National Lottery Act 1998 s1(3).

National Lottery Distribution Fund

Body entrusted with distributing funds raised by the **National Lottery**. It is constituted by National Lottery Act 1983 from s21.

National Market System

American stock trading system required by Securities Act Amendments of 1975. It allows traders in any US stock exchange to seek the best price on any US exchange.

national minimum wage (NMW)

Definition

The minimum hourly rate which an employer must legally pay a worker. This term is wider than "employee" and includes agency workers and seconded staff.

"A person who qualifies for the national minimum wage shall be remunerated by his employer in respect of his work in any **pay reference period** at a rate which is not less than the national minimum wage" (National Minimum Wage Act 1998 s1(1)).

Rates

The NMW was introduced from 1 April 1998 at a rate of £3.60 an hour. Since 2000, it is now increased each year from 1 October.

NMW is paid at three rates:

- the standard rate for workers aged 22 or over;
- the reduced rate; and
- the rate for those aged 16 or 17,

The last of these was introduced from 1 October 2004.

A national living wage for workers aged 25 and over was introduced from 1 April 2016.

Pay reference period

A worker must be paid the NMW for a **pay reference period**. This means that the total pay for such a period must be at least the NMW multiplied by the number of hours. It is not a requirement that every hour must be paid at the NMW; some may be paid at lower rate provided sufficient is earned during other hours in the same period.

Basis

The NMW is determined on one of four basis of which time work is by far the most common. These four bases are:

- **time work;**

- **salaried-hours work;**
- **output work;**
- **unmeasured work.**

National Policing Improvement Agency (NPIA)

Non-ministerial public body set up on 1 April 2007 to provide support to the police in such areas as information technology. On 7 October 2013, it was merged with the Serious Organised Crime Agency to form the **National Crime Agency**.

national purpose

Purpose considered of benefit to the country as a whole. A gift for such purpose is exempt from inheritance tax (Inheritance Tax Act 1984 s25). The scope of relevant bodies is set out in Sch 3 of this Act.

National Registration Service (NRS)

An HMRC registration service that process National Export System (NES) authorisations and updates and maintains the electronic register on authorised operators.

National Savings

Part of the Treasury which sells investment, savings and deposit products to the public to raise extra finance for the government. Before 1969, it was known as Post Office Savings Department.

The products are designed as safe investments for medium to long-term vehicles and are sold at post offices.

National Savings and Investments

Part of the Exchequer which raises loans for the government in the form of low value investments, such as National Savings certificates and premium bonds.

National Savings Bank (NSB)

Savings scheme operated by the government as a means of generating short-term loans for the government. It was formed in 1861. Its current existence derives from National Savings Bank Act 1971 s1(1).

National Savings certificate (NSC)

Savings product issued by the **National Savings Bank** as a safe low cost investment for ordinary citizens and as a means of raising funds for the government. Typically they comprise either fixed interest or index-linked investments for between two and five years.

These certificates are issued in accordance with National Debt Act 1972 s8.

National savings stamps

Stamps and gift tokens that may be issued by the Department of National Savings under National Debt Act 1972 s10. These were designed to promote savings by those on low income, in addition to raising government funds, particularly in wartime.

Such stamps were first issued in 1861 by the Post Office Savings Bank. A scheme for saving using ordinary postage stamps was started from 13

September 1880. This scheme operated for over 80 years before being allowed to lapse.

With the introduction of savings certificates in 1916, a scheme was introduced with card or books where stamps for 6d (2½p) were stuck. Such stamps depicted helmets and other patriotic symbols.

In 1933, a single form of savings stamp was introduced and new stamps for 2s 6d (12½p) and 5s (25p) were added.

The name was changed in 1969 when responsibility passed to the Treasury. Many of the stamps bore images of Prince Charles or Princess Anne as children, in allusion to building a new Britain for a new generation.

From 9 January 1967 stamps have been available in only one denomination of 2 shillings, or 10p from decimalisation.

The National Savings Stamps Regulations SI 1969 No 1343, appear still to be in force. The legal definition of the stamp was given in Finance Act 1961 s35(1) as amended by Post Office Act 1969 s112.

National Savings stamps retain their value indefinitely and may still be redeemed at face value.

National Savings Stock Register

Organisation run by the Department of National Savings which allows ordinary investors to buy government bonds without using a stockbroker in accordance with National Debt Act 1972 s2.

national security

Such provisions that the government puts into place to protect the country from such risks as war, terrorism, espionage, cyber attacks and similar.

“The government works to identify the most pressing risks to our security, and put in place the ways and means to address them” (government website).

These provisions can include exclusion of material that would otherwise be available, such as evidence in court or data protection.

national security and defence exemption

For the purposes of data protection, this is set out in Data Protection Act 2018 s26.

national security certificate

Document issued by a Minister of the Crown that prevents disclosure of information on grounds of national security. Data protection provisions are set out in Data Protection Act 2018 ss 27, 79, 111 and 130.

National Service

Compulsory conscription of citizens to serve in the armed forces. The UK has had two period of national service: 1916-20 and 1939-60. The last conscripted soldier was demobbed in 1963 — 18 years after the end of the war. In some documents, such as for national insurance and pensions, it is referred to as **war service**.

The first period was introduced under Military Service Act 1916. The Act initially applied to men aged between 18 and 40, with some exceptions. The age limit was progressively raised, eventually reaching 51.

Nation service was revived by Military Training Act 1939 which conscripted men between the ages of 20 and 22. At the outbreak of war, this

was replaced by National Service (Armed Forces) Act 1939 which conscripted men between 18 and 41, with exceptions. By 1942, the maximum age had again risen to 51. Women aged between 20 and 30 were also eventually conscripted.

After the war, National Service was continued under National Service Act 1948. This conscripted men aged between 17 and 21 for 18 months. In 1950, this was extended to 24 months as a consequence of the Korean War.

National Simplifications Team

Department of Customs based at the **Central Community Transit Office**. Its task is to negotiate with exporters appropriate simplifications in the standard Customs procedures for exporting goods.

National-Socialist persecution Another name for **Nazi persecution**.

National Society for the Prevention of Cruelty to Children (NSPCC)

Charity founded in 1884 that campaigns and works to protect children.

National Sports Councils

In relation to corporation tax relief for **grassroots sport**, "means —
(a) the United Kingdom Sports Council,
(b) the English Sports Council,
(c) the Scottish Sports Council,
(d) the Sports Council for Wales, and
(e) the Sports Council for Northern Ireland"

(Corporation Tax Act 2010 s217C(5) as inserted by Finance (No 2) Act 2017 s22).

National Tax Credits (NTC)

American term for a tax allowance that may be claimed in the USA for construction work.

National Transit

A procedure for moving goods under customs control when import or export formalities are carried out away from the place of importation or exportation, and the movement does not involve another European Union Member State. Also known as UK Transit.

national treatment standard

In politics, the doctrine that a state is obliged to treat visitors and other non-nationals in the same way as it treats its own citizens.

National Will Register

On-line facility for registering the existence of a will. It is run by a company called Certainty.co.uk. For a fee, a will can be registered. For another fee, it is possible to search the database to see if a person left a will. The company can also search for a will that has not been registered.

National Working Together Team (NWTT)

Body comprising representatives of HMRC and taxpayers which discuss matters of mutual interest. It is part of the **Working Together** activity which started in 1999.

Nativity of Christ	Christian festival celebrated on 25 December, and more commonly known as Christmas . It is also a quarter day and a bank holiday .
NATO	North Atlantic Treaty Organisation. This is an alliance of 26 countries in Europe and North America, including the United Kingdom, established in 1949 with the purpose of safeguarding the freedom and security of all its members by political and military means.
natura abhorret vacuum	Latin: nature abhors a vacuum.
natural child	(1) A child produced from one's body, as against an adopted child. (2) Until 1969, the term was sometimes used to mean an illegitimate child.
Natural Environment Research Council	Committee of United Kingdom Research and Innovation (Higher Education and Research Act 2017 s92(1)).
natural experiment	Experiment in which the consequences of a proposed course of action is considered by examining cases where that course was followed. An example is that consideration of the Scottish rate of income tax was subject to natural experiments such as looking at the consequences in Switzerland where adjacent cantons charge significantly different rates.
natural gas	"Means gas with a methane content of not less than 80%" (Hydrocarbon Oil Duties Act 1979 s23C(5)(b)). Combustible gas which is found naturally in the earth, as against producer gas which is created by a process. Natural gas is primarily methane. It is found either in oilfields, where it is known as associated gas , or in fields of its own, known as non-associated gas . Natural gas requires processing which removes other gases such as ethane, propane and butane. As natural gas is tasteless and odourless, small amounts of odorant are added to warn people of gas leaks and gas escapes. On its own, natural gas is normally harmless to the human body unless it explodes or asphyxiates.
natural increase	Growth in population that derives from there being more deaths than births, as against growth from other sources such as immigration.
naturalisation	Acquisition of British citizenship or British Dependent Territories citizenship by a foreign national. This is a formal and legal process that requires the foreign national to give up his or her previous nationality.
natural justice	Rules and procedures that must be followed by any court, tribunal or other body charged with adjudicating the rights of others. A decision may be set aside if these rules or procedures have not been followed. The principles of natural justice include a duty: <ul style="list-style-type: none">• to act fairly, in good faith, without bias, and in a judicial temper;• to give each party the opportunity to present his case, and to correct anything in the other party's case;

- not to hear one side of a case behind the back of the other party;
- not to be a judge in your own case, and to declare any personal interest;
- to give everyone notice of what they are accused;
- to disclose all relevant documents to both parties.

The rules of natural justice must be followed in tax appeals (Inspectors' Manual at AH 3935).

natural law	The law of nature, seen as the emanation of divine providence. It is the permanent underlying basis of all law.
natural love and affection	Term often used in legal gifts to close relations. They are said to be in "consideration" for the natural love and affection of the donor to the donee. Such donations are not usually tax deductible. Any business loans between close relations may be examined to see if they are disallowed. The matter is discussed in the Inspectors' Manual at BIM37970.
natural person	Living human person as recognised by law. This is in distinction to a legal person such as limited company, which is also recognised by law.
Natural Petroleum Gas (NPG)	Natural gas consists predominantly of methane. As a road fuel, it is available as Compressed Natural Gas (CNG) – stored at high pressure and ambient temperature, or as Liquefied Natural Gas (LNG) – stored at lower pressure and low temperature.
natural rate of unemployment	Level of unemployment that still exists in the economy when the labour market is in equilibrium. This will usually be equivalent to the level of voluntary unemployment as at equilibrium everyone who wants a job has got one. Friedman argued that the only way to reduce the natural rate would be to use supply-side policies.
naturally occurring difference	In statistics, the selection of people for an experimental group because they meet certain conditions, such as being above an age or below a particular weight. People outside this scope become the control group .
natural road fuel gas	"Is road fuel gas with a methane content of not less than 80%" (Hydrocarbon Oil Duties Act 1979 s5(2)). This definition was added from 1 September 2004.
natura non facit saltus	Latin: nature does not make leaps.
nature and nurture	Term commonly used for discussions on how far personality is hereditary (nature) and how much is acquired (nurture).
nature conservation	"The conservation of flora and fauna and geological and physiographical features" (Commons Act 2006 s 61(1)).
nature of income condition	One of the conditions which must be met for an investment to qualify for venture capital trust relief, as set out in Income Tax Act 2007 s274.

The condition is that the company's income is derived wholly or mainly from shares or other securities.

Nauru	Island state that became independent in 1968. Its currency is the Australian dollar of 100 cents. The UK has no double taxation treaty.
nautical mile	Imperial measure of length used at sea. Since 1970, it has been defined as 1,852 metres. Previously it was 1,853.184 metres which is the equivalent of 6,080 feet or 1.056 miles.
naval court	Court convened under Merchant Shipping Act 1894 to inquire into the loss or abandonment of a British ship.
naval law	Law and rules that apply in the Royal Navy.
naval property	Chattel that belongs to the Crown and is issued or stored for naval use.
navigation	(1) Art of directing a vehicle or aircraft. (2) Legal right to navigate inland waters.
navvy	Labourer engaged in heavy work. The term comes from the word "navigator" as the first navvies were used to dig canals.
NatWest	<p>One of the Big Four banks in UK. It has been owned by the Royal Bank of Scotland since 2000.</p> <p>The bank was formed in 1968 by the merger of the Westminster Bank and National Provincial Bank, both of which were themselves mergers of other banks. The oldest bank which formed part of NatWest was Smiths of Nottingham, formed in 1650.</p> <p>The company adopted a logo of three chevrons in a triangle to indicate both the circulation of money, and the three banks which formed the new bank. (The third was the District Bank which National Provincial took over in 1962.)</p>
NatWest three	<p>Name given to three officials from NatWest Bank: Gary Mulgrew, David Bermingham and Giles Darby. They were extradited to the USA on 18 July 2005 to face fraud charges relating to the collapse of Enron. They were each jailed for 37 months on 22 February 2008.</p> <p>The extradition was controversial and attracted much protest as it was under a treaty which does not provide the usual safeguards of a first hearing in a UK court before extradition.</p>
nautical mile	Unit of length equal to 1,852 metres.
NAV	Net asset value.
NAVC	National Approval and Verification Centre for Excise Warehousing.

navigation aid	In computing, facilities provided on a website to assist the user to find the desired page.
n'avoir ni croix ni pile	French: I have neither cross nor pile. This expression simply means I have no money. Cross and pile denote coins.
NAWI	Non-Automatic Weighing Instruments Directive.
Nazi	National Socialist government of Germany from 1933 to 1945 lead by Adolf Hitler. Its invasion of Poland in 1939 triggered the start of the second world war which ended with Germany's defeat in 1945 at the hands of Allied Forces led by Britain, USA and Russia. There are some special tax provisions in relation to Nazi compensation paid to victims.
Nazi compensation	Compensation paid in respect of suffering at the hands of the Nazi government of Germany (1933-1945). Originally such payments were only tax-free if paid by the German or Austrian government and were tax-free under their laws. The scope was gradually widened, many decades after the event: <ul style="list-style-type: none">• 6 April 1986: the requirement for the payment to be exempt under German or Austrian law was abolished;• 8 May 2000: compensation paid on dormant accounts of Holocaust victims became tax-free;• 18 January 2001: compensation paid to owners or heirs of assets seized by the Nazis became tax-free;• 19 July 2005: tax exemption for payments to Holocaust victims and their descendants under the Restore UK scheme. The law is Income Tax (Earnings And Pensions) Act 2003 s642. Similar provisions apply for capital gains tax on the disposal of the right to receive compensation (Taxation of Capital Gains Act 1992 s268A), inserted in 2006 with retrospective effect from 1996.
nb	Abbreviation for nota bene, Latin for note well.
NBGR	In relation to corporation tax surcharge on banks, "is the amount (if any) of non-banking group relief that is given in determining those taxable total profits" (Corporation Tax Act 2010 s269DA(2)). The figure is calculated in accordance with ibid s269DB.
NBPLR	In relation to corporation tax surcharge on banks, "is the amount (if nay) of non-banking or pre-2016 loss relief" (Corporation Tax Act 2010 s269DA(2)). The figure is calculated in accordance with ibid s269DC.
NBTIG	In relation to corporation tax surcharge on banks, "means the sum of any non-banking transferred-on gains" (Corporation Tax Act 2010 s269DD). The figure is calculated in accordance with ibid s269DD.

NBV	Net book value.
NC	Nomenclature Committee.
NCA	National Crime Agency.
NCB	No claims bonus, in insurance.
NCCT	Non-cooperating country or territory.
NCDR	Non-corporate distribution rate.
NCH	National Clearance Hub.
NCIS	National Criminal Intelligence Service
NCS	National Crime Squad.
NCSC	National Cyber Security Centre.
NCTS	(1) New Community Transit System. (2) New Computerised Transit System.
ND	North Dakota, USA.
NDA	Non-disclosure agreement.
NDPB	Non-Departmental Public Body.
NEA	New enterprise allowance.
neap tide	Tides that attain the least rise and fall. They occur near the first and last quarters of the moon.
nearbys	Colloquialism for near months .
nearest relative	Person who is most closely related to a person for whom an application may be made under Mental Health Acts 1983 and 2007. Such a person may be asked to act for the patient, in which case they become the acting nearest relative .
near money	Assets such as money market instruments and time deposits which are readily convertible into cash.
near month	In investment, the nearest delivery month of a futures or options market.
Nebuchadnezzar	Champagne bottle with a capacity of 20 standard bottles.
nec cupias, nec mutuas	Latin: neither desire nor fear.

ne cede malis	Latin: yield not to misfortune, a quote from Virgil.
necessaries	<p>“Goods suitable to the condition of life of the... person concerned and to his actual requirements at the time of the sale” (Sale of Goods Act 1979 s3(3)).</p> <p>Under contract law, someone who otherwise lacks capacity to contract may be required to pay a reasonable price for necessaries.</p>
necessary expenses	<p>In relation to possible taxation of advances to an employee, “are expenses (including travelling expenses) which —</p> <p>(a) the employee is obliged to incur and pay as holder of the employment, and</p> <p>(b) are necessarily incurred in the performance of the duties of the employment” (Income Tax (Earnings And Pensions) Act 2003 s179(5)).</p>
necessitas inducit privilegium quoad jura private	Latin: necessity gives a privilege as to private rights.
necessitas non habet legem	Latin: necessity knows no law.
necessitas publica major est quam privata	Latin: public necessity is greater than private.
necessity	Legal defence that what would otherwise be a criminal offence is justified on ground of public policy. An example is smashing a window to rescue a person in a house on fire, or shooting a dog which is savaging sheep. Necessity cannot justify a private need, such as shoplifting when hungry.
nec temere, nec timide	Latin: neither rashly nor timidly. This is used as a motto by many bodies.
neddy	Nickname for National Economic Development Council .
née	French: born. The term is used of a woman to indicate her maiden name , this Mary Jones (née Smith).
need	Want of a necessity.
ne exeat	Latin: let him not depart.
Negara Brunei Darussalam	Malay: Brunei Darussalam.
negative carry	Situation where the cost of finance is greater than the return on an investment.
negative cash flow	Situation where an organisation's expenditure is greater than its income.
negative clearance	Procedure that assumes that something notified to an authority is permissible unless the contrary is determined.

negative equity	When the amount owed in a mortgage or other secured loan is less than the value of the secured asset.
negative externalities	Adverse consequences of a decision made by an organisation on those outside that organisation. Examples include pollution, noise, and traffic congestion.
negative goodwill	When the amount paid to acquire a business is less than the value of net assets. The corporation tax consequences are addressed in Corporation Tax Act 2009 s724.
negative income tax	A concept of negative taxation . The idea that if income fell below a threshold, the state would make up the difference at the income tax rate. Although such ideas have often been considered, the conclusion has always been that the threshold and the rates would have to be too high to make the system workable, and such high thresholds and rates would be politically unsustainable.
negative licensing	Form of licensing where an activity may be pursued without first acquiring a licence, but where misconduct can lead to a ban. Examples include being a company director and keeping animals.
negative pregnant	In law, an evasive response that answers a question in court while avoiding the substantive issue. An example is a witness who says he did not receive £1,000 from a person, and does not admit receiving £999.
negative taxation	When the rate of taxation is such that a person receives a benefit rather than make a payment. Although negative taxation has often been considered as a means of integrating taxation with social security , the problems of harmonising two different objectives and establishing realistic rates have always led to such plans being abandoned. Despite this, there are some elements of negative taxation in the UK system, particularly the enhanced research and development tax credits and capital allowances which can exceed 100%.
negative yield curve	Situation where the return on a long-term investment is less than that on a short-term investment.
negativity	Human resources term for the feeling and expression of unhappiness in any area of life. In the workplace, it can lead to low productivity, absenteeism and dissent. Negativity usually arises from a loss of one of confidence, control or community. Identifying the cause is the first step to addressing the problem.
negatur	Latin: it is denied.

neglect

In law, the tort of failure to exercise a duty of care properly.

The term is particularly applied to parents or guardians who do not look after their children properly.

For a **personal liability notice** served on a director for unpaid national insurance, the term is more narrowly defined than for the tort. In the case *O'Rorke [2013] All ER (D) 150 (Dec)*, the Upper Tribunal held that neglect had to be considered subjectively. In that case, a director who suffered serious mental illness had not been neglectful.

negligence

Carelessness that leads to loss or injury to someone else. To sue for negligence it is necessary to prove:

- that a duty of care was owed and not excluded,
- that this duty of care was not met, and
- that loss was suffered as a consequence, and that loss was not too remote from the carelessness.

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Negligence is the omission to do something which a reasonable man, guided upon those considerations which ordinarily regulate the conduct of human affairs, would do, or doing something which a prudent and reasonable man would not do. The defendants might be liable for negligence, if, unintentionally, they omitted to do that which a prudent and reasonable person would have done, or did that which a person taking reasonable care would not have done.

Baron Alderson in *Blyth v Birmingham Waterworks [1859] All ER 478*

In relation to avoidance of liability in consumer contracts, the term is defined in Consumer Rights Act 2015 s65(4).

negligent misrepresentation

Misrepresentation which falls between **fraudulent misrepresentation** and **innocent misrepresentation**.

Historically, any misrepresentation which was not fraudulent was considered innocent. This changed with the House of Lords' decision in *Hedley Byrne v Heller [1964]* which held that a more serious view could be taken when there was a **special relationship** between the parties. This applies when one party has an expert of specialist knowledge and is careless in making statements before a contract.

Misrepresentation Act 1967 distinguishes between negligent and wholly innocent misrepresentation. For the former it prescribes the same penalty as for fraudulent misrepresentation unless the person can show that he had reasonable grounds for believing and did believe his representation.

negligent misstatement

Another term for **negligent misrepresentation**.

negligible value

Term used in capital gains tax to describe shares and other securities whose value is close to zero. The securities are usually ones quoted on the London Stock Exchange. HMRC periodically publish lists of such securities with the dates on which each security was so declared.

A taxpayer may treat negligible value as being a disposal and acquisition for zero, usually triggering a **capital loss**. The taxpayer must make an election within two years of the end of the accounting period in which the security was so declared.

The relevant law is Taxation of Capital Gains Act 1992 s24(2).

négociant	French merchant, particularly of wine.
negotiable	In banking, subject to negotiation .
negotiable instrument	Document which can be exchange for cash, such as a promissory note or bill of exchange.
negotiable paper	Document whose ownership can be transferred for cash.
negotiated withdrawal agreement	In relation to Brexit “means the draft of the withdrawal agreement identified by the statement that political agreement has been reached” (European Union (Withdrawal) Act 2018 s13(16)).
negotiation	<p>In banking, a procedure whereby a payee may assign a cheque to someone else.</p> <p>This is done by writing instructions and signing on bank. An “account payee” cheque cannot be negotiated. For a bill of exchange “when it is transferred from one person to another in such a manner as to constitute the transferee the holder of the bill” (Bills of Exchange Act 1882 s31(1)).</p>
negro	Black person. The term is now considered racially unacceptable.
Nelsons	Rhyming slang for ready cash: Nelson Eddys = readies.
Nelson's Column	<p>Monument to Lord Nelson (1758-1805) erected in Trafalgar Square between 1840 and 1843.</p> <p>It is widely used as an informal measure of height. It is 51.6 metres (169 feet 3 inches) high. Before 2006, it was assumed to be about four metres taller.</p>
NEM	New Employment Model.
nem con	Abbreviation of 24nemine contradicente , no-one saying otherwise. The term is used when recording votes. It is not the same as unanimous as a vote may be nem con when there are abstentions.
nem dis	Abbreviation of nemine dissentiente , no-one dissenting.
nemesis	Retributive justice. The name comes from the Greek goddess of retribution.
24nemine contradicente	Latin: no-one saying otherwise.
24nemine dissentiente	Latin: no-one dissenting.
neminem oportet legibus esse sapientorum	Latin: it is not permitted to be wiser than the laws.

nemo admittendus est inhabilitare seipsum

Latin: nobody is permitted to incapacitate himself.

nemo agit in seipsum

Latin: no-one can take proceedings against himself.

nemo contra factum suum proprium venire potest

Latin: no-one can go against his own deed.

nemo dat qui non habet

Latin: no-one gives who possesses not.

nemo dat quod non habet

Latin: no-one can give what he has not.

This is the principle that a thief cannot pass good title to goods he or she has stolen.

nemo debet bis puniri pro uno delicto

Latin: no-one should be punished twice for one fault.

nemo debet esse iudex in propria causa

Latin: no-one can be a judge in his own cause.

nemo est haeres viventis

Latin: no-one is the heir of anyone alive.

This is the legal principle that an heir can only be established at the point of death.

nemo ex proprio dolo consequitur actionem

Latin: no-one obtains a cause of action by his own fraud.

nemo ex suo delicto meliorem suam conditionem facere potest

Latin: no-one can improve his position by his own wrongdoing.

nemo me impune lacessit

Latin: no one attacks me with impunity. This was the motto of James VI of Scotland, Jame I of England. It appeared on his coins between 1578 and 1580. It is used today by the Order of The Thistle, and appears on the milled edge of old pound coins that depict the Scottish thistle.

nemo plus juris ad alium transferre potest, quam ipse habet

Latin: the title of an assignee can be no better than that of the assignor.

nemo potest esse simul actor et iudex

Latin: no-one can be at once suitor and judge.

nemo potest facere per alium, quod per se non potest

Latin: no-one can do through another what he cannot do himself.

nemo potest plus juris ad alium transferre quam ipse habet

Latin: no-one can transfer a greater right to another than he himself has.

nemo 25prohibetur pluribus densionibus uti

Latin: no-one is forbidden to use several defences.

nemo tenetur ad impossibile	Latin: no-one is required to do what is impossible.
nemo tenetur se ipsum accusare	Latin: no-one is bound to incriminate himself.
neo-	Prefix that means "new".
ne obliviscaris	Latin: do not forget.
Nepal	Eastern state between China and India. Its currency is the Nepalese rupee of 100 paisa. The UK has no double taxation treaty.
nephew	In current usage, son of a brother or sister.
ne plus ultra	Latin: nothing further.
nepman	Man allowed to engage in private enterprise under the Soviet system of the USSR. The term comes from the initials of New Economic Policy.
nepotism	Undue patronage to one's relations. Under employment law, nepotism is not illegal, so a boss may give precedence to his or her relations over other better applicants.
ne quid nimis	Latin: [let there be] nothing in excess.
NES	(1) National Export System. (2) New Export System. This is the name by which the National Export System was known until 2007.
nescience	Want of knowledge, ignorance.
nescit vox missa reverti	Latin: a word published cannot be recalled (quote from Horace).
NEST	National Employment Savings Trust.
NESTA	National Endowment for Science, Technology and the Arts.
nest egg	Money which is saved by an individual to provide additional funding if needed and to augment income in retirement. Some money put aside to encourage further saving. The term comes from the ancient practice of putting an egg in a bird's nest in the belief that this will encourage the bird to lay more eggs.
nesting	Colloquialism for staying in business premises or a home instead of moving as would otherwise have been expected.
net	A figure which excludes an element found in the gross equivalent. Net profit is gross profit from which overheads have been excluded. Net pay is gross pay from which income tax and national insurance has been

deducted. Net interest is gross interest from which tax has been deducted.

NETA

New Electricity Trading Arrangements.

net asset restriction

Restriction on a **public company** paying a dividend when the value of its **net assets** is less than the aggregate of its called-up share capital and its **undistributable reserves**, or where payment of the dividend would so reduce the value of its net assets (Companies Act 2006 s831).

There is no such restriction for a private company.

net asset value per share

Value of a company's assets less liabilities, divided by the number of issued ordinary shares.

net asset value (NAV)

Value of a company's assets less liabilities.

net assets

Total assets minus **total liabilities**, as shown on the **balance sheet**.

For purposes of the **net asset restriction**, the term is defined as "the aggregate of the company's assets less the aggregate of its liabilities" (Companies Act 2006 s831(2)).

net assets available for benefits

"The assets of a [pension] plan less liabilities other than the actuarial present value of promised retirement benefits" (FRS 102 glossary).

net-basis activities

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

netbook

Small laptop computer.

net book value (NBV)

Book value of a **fixed asset** from which **accumulated depreciation** has been subtracted.

Suppose an asset is acquired for £1,000 and is depreciated over five years on the straight line method. After two years, the accumulated depreciation is £400, so the net book value is £600.

The **balance sheet** records all fixed assets at their net book value.

In relation to capital allowances and leases, the term is given a specific meaning in Capital Allowances Act 2001 s228H(1).

net borrowings

Amount of money an organisation has borrowed minus amounts of cash it holds.

net cash flow

Difference between the amount of money coming in and money going out of an organisation.

net cash investment

In leasing, the amount invested in a lease at any moment in time.

net cost of the demolition

For capital allowances for plant and machinery, "means the amount, if any, by which the cost of the demolition exceeds any money received for the remains of the plant and machinery" (Capital Allowances Act 2001 s26(4)).

For qualifying buildings, "means the amount, if any, by which the cost of

the demolition exceeds any money received for the remains of the qualifying building" (Capital Allowances Act 2001 s360S(3)).

For capital allowance for an assured tenancy, "means the amount, if any, by which the cost of the demolition exceeds any money received for the remains of the property" (Capital Allowances Act 2001 s528(3)).

net cost of the restoration In relation to mineral extraction, this term is defined in Capital Allowances Act 2001 s416(7).

For ring-fence activities, a different definition is given in Capital Allowances Act 2001 s416ZA(9).

net covenant **Deed of covenant** that specifies the actual amount paid, which is the more common form. If the rate of tax changes, the recipient is refunded a different amount of tax.

net current assets Current assets of an organisation minus liabilities.

net current liabilities Current liabilities of an organisation minus its current assets.

net debt Borrowings of an entity, including sums owed on derivatives and under finance leases (FRS 4).

net defined benefit liability In accounting for pensions, "the present value of the **defined benefit obligation** at the reporting date minus the fair value at the reporting date of **plan assets** (if any) out of which the obligations are to be settled" (FRS 102 glossary).

net dividend Dividend excluding the tax credit.

net dividend per share Dividend per share after deductions for income tax.

net division approach Method of apportioning an estate when the residue of the estate is shared between exempt and non-exempt beneficiaries (such as a charity) so that they each receive the same net figure after deducting inheritance tax. This can require **double grossing up**. The matter was considered in the case *re Ratcliffe [1999] STC 262*.

net earnings In accounting, profit after all interest, taxes and other costs and expenses have been deducted.

Netherlands European state and member state of European Union, sometimes called Holland. "Netherlands" originally included Belgium.

For EU purposes, the current state excludes the **Netherlands Antilles**.

Its currency is the euro of 100 cents. Previously, it was the guilder.

The UK has tax treaties of 2008 with the Netherlands that was amended by protocols in 2013 and 2014. There is a separate double taxation convention of 2013 on bank taxes.

Netherlands Benefit Act for Victims of Persecution 1940-45

Scheme that makes payments to victims of wartime persecution under Dutch

law. Payments from this scheme are exempt from income tax under Income Tax (Earnings and Pensions) Act 2003 s642A as inserted by Finance Act 2016 s23(1). The exemption applies from 2016/17.

N-Ethyl-N[2-(1-isobutoxy)ethyl]-4-(phenylazo)aniline

Approved marker for hydrocarbon oils under Hydrocarbon Oil (Designated Markers) Regulations SI 1996 No 1251 para 2(2).

Netherlands Antilles

Autonomous country of the kingdom of the Netherlands, comprising islands in the Caribbean. The country has been widely used for tax planning.

The country ceased to exist in 2010 when the islands were given separate relationships with the Netherlands.

net income

For tax, **total income** less reliefs.

net interest

Gross interest less tax.

net investment

(1) In accounting, the effective equity stake an organisation has in a foreign enterprise (SSAP 20).

(2) In economics, where companies buy new machinery or equipment. It is this type of investment that actually adds to the capital stock of the economy.

net investment in a foreign operation

For accounting, "the amount of the reporting entity's interest in the net assets of that operation" (FRS 102 glossary).

net investment in a lease

For accounting, "the **gross investment in a lease** discounted at the **interest rate implicit in the lease**" (FRS 102 glossary).

net liabilities

Value of liabilities minus assets.

net liquid funds

Organisation's cash plus marketable investments, minus its short-term borrowings.

net loss

Loss after deducting overheads, expenses, depreciation and tax.

net margin

Difference between sales price and total cost of an item, including its share of overheads. The difference is usually expressed as a percentage, but may be expressed as an amount.

net monthly account (NMA)

A form of **settlement terms** where the customer is supposed to pay the invoice by the end of the month following that in which it was issued.

net off

Process of deducting a liability from an asset and showing a single figure as an asset or liability. For example if A owes B £6,000, and B owes A £4,000, they could agree to net off these transactions and settle them by A paying B £2,000.

For the accounting requirements see **offset**.

net overseas hours	All hours worked overseas during a tax year. It is used in the third automatic overseas residence test under the statutory residence test .
NETP	Non-established taxable person.
net Part 3A allowance	Allowance that applied to industrial buildings allowance. The term is defined in Capital Allowances Act 2001 s186A(5).
net pay	Pay after tax and national insurance has been deducted. Further adjustments may be made to produce take-home pay .
net PAYE income	“Means PAYE income less any — (a) allowable pension contributions , and (b) allowable donations to charity ” (PAYE Regulations SI 2003 No 2682 reg 3(1)).
net pay pension scheme	“Means a pension scheme in the case of which some or all of the members of the pension scheme are entitled to be given relief in accordance with section 193 in respect of the payments of contributions by them under the pension scheme” (Finance Act 2004 s191(9)).
net premiums written	In relation to taxation of corporate members of Lloyd's “means gross premium written net of reinsurance premiums payable under reinsurance ceded” (Finance Act 2012 s28(6)).
net present value (NPV)	Value of future cashflows reduced by factors to represent inflation. The method of calculation is known as discounted cash flow .
net present value rule	Treasury management rule of thumb which states that a person or business should only invest in something which produces a net present value, in other words where the return more than compensates for opportunity cost of capital .
net price	Price of an item which cannot be reduced by a discount.
net proceeds	“The fair value of the consideration received on the issue of a capital instrument after deduction of issue costs ” (FRS 4 para 11).
net profit	Turnover minus cost of sales and expenses (or overheads). Alternatively net profit may be defined as gross profit minus expenses. Net profit is further distinguished as net profit before tax and net profit after tax .
net profit after tax	Net profit from which income tax or corporation tax has been deducted.
net profit before tax	Net profit before income tax or corporation tax has been deducted.
net profit ratio	Ratio of an organisation's net profit to its net sales. This ratio may be compared with organisation's of similar size and

activity to see which are the most efficient.

net realisable value	Proceeds of selling an item, less the costs of selling.
net receipts	Amount of money received after deductions for the cost of collection.
net relevant earnings (NRE)	A definition of pensionable income once used in determining the maximum contributions to a retirement annuity or personal pension scheme that qualify for tax relief. It was defined in Income and Corporation Taxes Act 1988 s646.
net residual value (NRV)	<p>Expected proceeds from disposing of an asset at the end of its life, less the cost of disposing of it. Disposal may be by sale or salvage.</p> <p>If an asset has an NRV, depreciation is calculated on the difference between acquisition cost and NRV. For example, a press cost £1,000 and is expected to be disposed of for £100 after five years. The depreciation charge for the five years is £900. On the straight line basis, that is £180 per year.</p>
net return	Return on an investment after tax and any expenses.
net salary	Salary after deduction of tax, national insurance and other permitted deductions.
net sales	Value of sales less returns from customers, discounts, commission and similar expenses of sales.
net settlement liabilities	Term used for the bank levy. It is defined in Finance Act 2011 Sch 19 para 25(9).
net spending	The cost of providing a service after allowing for specific grants and other income from fees and charges (i.e. not including Council Tax and money from the Government).
net taxable earnings (NTE)	Total of taxable earnings less deductions. This is expressed in the formula TE – DE in Income Tax (Earnings And Pensions) Act 2003 s11(1).
net taxable pension income (NTPI)	Amount of pension income chargeable to income tax (Income Tax (Earnings And Pensions) Act 2003 s567).
net taxable specific income (NTSI)	Taxable specific income less specific deductions from that income. This is expressed in the formula TSI – DSI in Income Tax (Earnings And Pensions) Act 2003 s12(1).
netting	Traders approved for duty deferment must also be approved to set off drawback and certain other repayments of excise duty against the duty due from them under the deferment arrangements. This set-off procedure is known as netting.

netting event	For the bank levy, the insolvency or bankruptcy of certain entities, as explained in Finance Act 2011 Sch 19 para 18(10)(e).
netting off	Process where expenditure is deducted from matching income, such as showing only the profit from sales rather than separate figures for sales and costs. In general, figures should not be netted off.
net turnover	Income from turnover or sales, after discounts have been subtracted, and excluding VAT.
net working capital	Another term for net current assets .
network	Two or more computers connected together to share resources.
net worth	How much a person or organisation is worth. It represents how much they own minus how much they owe.
net yield	Profit from investments less tax, expressed as a percentage of the value of the investments.
NEU	National Educational Union.
Neuer Market	Junior stock market in Germany, launched in 1997.
neutral	<p>One of the five requirements for accounts to meet the requirement for reliability. This in turn is one of the four requirements for accounting information required by Statement of Principles.</p> <p>Accounts are neutral if they are free from deliberate or systematic bias, such as presenting the accounts to resist a takeover bid or to assist in raising finance. In practice, it can be difficult to differentiate between deliberate bias and undue optimism.</p>
neutral citation	<p>Citation for law reports that is given by the courts themselves and not by the publishers of law reports.</p> <p>These citations were introduced in 2001 for the House of Lords (now Supreme Court), Court of Appeal and Privy Council. They were extended to the High Court in 2002. Such cases can be accessed on the bailii website free.</p>
NEUUT	Non-exempt unauthorised unit trust .
Nevada corporation	<p>Corporation incorporated in the US state of Nevada. It is regarded as the main corporate haven of the USA after Delaware. It is particularly popular with businesses whose headquarters are in California.</p> <p>Nevada corporations are favoured by privately-owned corporations, as its laws give them much freedom of action and the courts are very reluctant to lift the corporate veil. In the period from 1987-2007, only one such case has succeeded, and that involved fraud by the management.</p>
never never	Colloquialism for hire purchase .

new	<p>In relation to capital allowances for a long-life asset “means unused and not second-hand” (Capital Allowances Act 2001 s91(2)).</p> <p>The classification of such an asset depends on whether it has a useful economic life of at least 25 years when “new”.</p>
new 1985 pool	<p>Another name for a section 104 holding.</p>
new accessory	<p>In the context of taxing company cars, a replacement accessory. Provision of a new accessory does not increase the taxable benefit of the car if it is no superior to the old accessory. If it is superior, the <i>whole</i> cost of the accessory is added to the list price for calculating the taxable benefit (Income Tax (Earnings And Pensions) Act 2003 s131).</p>
new adult	<p>Term used by Passport Office for a person applying for their first passport since reaching the age of 16.</p>
new affordable home	<p>Means a starter home “made available for people whose needs are not adequately served by the commercial housing market” (Housing and Planning Act 2016 s74(7)).</p>
new annuity	<p>In relation to the taxation of general annuity businesses, “means any annuity, so far as paid under a contract made by an insurance company in an accounting period beginning on or after 1st January 1992 and so far as referable to the company’s basic life assurance and general annuity business” (Income and Corporation Taxes Act 1988 s437(1C)).</p>
new area	<p>In relation to relocation expenses, is defined in Income Tax (Earnings And Pensions) Act 2003 s281(6).</p>
new association	<p>In relation to parliamentary constituencies, “means a local constituency association whose area is the same, or substantially the same, as the area of a new parliamentary constituency or 2 or more such constituencies” (Taxation of Capital Gains Act 1992 s264(2)(b)).</p>
newborn child	<p>Child born alive, or stillborn after 24 weeks of pregnancy.</p> <p>Ordinary statutory paternity pay may be claimed for such a child (Social Security Contributions and Benefits Act 1992 s171ZA(5)).</p>
new business	<p>Commercial activity that did not previously exist. Sometimes short-term tax reliefs are provided for a new business.</p> <p>In relation to the national insurance holiday provided in 2010, new business is defined in National Insurance Contributions Act 2011 s5. It excludes a business started by the same person within six months of discontinuing an old business in the same activities.</p>
Newco	<p>Term sometimes used in tax cases to mean a new company that has a similar name to an old company (called Oldco), such as in a takeover or restructuring.</p>

new code	Superannuation fund that was originally approved before 1970 and which has been re-approved as a registered pension scheme from 6 April 2006.
new Commonwealth	Members of the Commonwealth who have joined since its formation from the former British Empire.
New Computerised Transit System (NCTS)	A European wide system of moving goods based on electronic declaration and processing. It was introduced on 1 July 2005.
new consideration	Payment or other consideration for a normal commercial loan . The term is used in Corporation Tax Act 2010 s162(1).
New Deal	Government scheme introduced in 1998 to assist people back into work. It became nationwide for all age groups from June 1998 having being more restricted previously. The scheme provides tax-free payments to participants.
new duties	In relation to relocation expenses , the term is defined in Income Tax (Earnings And Pensions) Act 2003 s281(6).
new dwelling	Dwelling that has been created from an existing dwelling. The implications for annual tax on enveloped dwellings are set out in Finance Act 2013 s125. For starter homes , the term "means a building or part of a building that — (a) has been constructed for use as a single dwelling and has not been previously occupied, or (b) has been adapted for use as a single dwelling and has not been occupied since its adaptation" (Housing and Planning Act 2016 s(2) and s74(7)).
New East Manchester Ltd	Body designated as an urban regeneration company under Income and Corporation Taxes Act 1988 s79B (Urban Regeneration Companies (Tax) (Designation) Order SI 2004 No 439 para 2).
new economy	Economy in new business sectors such as telecommunications and information technology.
New Electricity Trading Arrangements (NETA)	The VAT implications are discussed in VAT notice 701/19.
new employee	Person who starts an employment. The PAYE provisions are given in PAYE regulations SI 2003 No 2682 from reg 41.
New Employment Model (NEM)	Scheme of remuneration and financial support for the armed services. It was introduced in 2012 and amended in 2016.
new enterprise allowance (NEA)	"Scheme designed to assist unemployed people who wish to start their own

business" (Commons Standard Note of 27 June 2014). It has some similarity to the **New Deal** programme offered between 1997 and 2011, when they were replaced by **welfare-to-work** schemes, following a change of government.

The scheme is available to individuals aged 18 or over in Great Britain who are claiming jobseeker's allowance, employment and support allowance or are a lone parent claiming income support.

The scheme pays £65 a week for 13 weeks, and £3 for the next 13 weeks, giving a total of £1,274. Participants may also be able to access a loan of up to £2,500.

NEA was initially piloted in Merseyside in January 2011 before being rolled out nationally between April and August 2011. The scheme was initially restricted to those who had been unemployed for at least six months. The scope was widened in October 2012.

New Export System

Electronic system for disclosing export details to Customs officers at HMRC. It was renamed **National Export System** in 2007.

new-for-old

Insurance cover for property or equipment where an item lost or destroyed is replaced by the equivalent new item without deduction for age or wear and tear of the old item, and regardless of price inflation.

Where an insurance policy qualifies as a tax-deductible business expense, the existence of a new-for-old clause does not reduce the allowability of the expense, as explained in the Inspector's Manual at BIM45501.

Newgate

Historic prison widely used for debtors. It stood in London on the site of the Central Criminal Court from the 12th century. The last prison was demolished in 1903.

new issue

Issue of shares which creates additional capital for a business, unlike a bonus issue.

new issues department

Department of a bank which deals with issues of new shares.

new land

In a **compulsory acquisition**, land that is provided in compensation for the taking of **old land**.

The capital gains tax provisions are given in Taxation of Capital Gains Act 1992 s247.

new leu

Currency of Romania.

newmarket

Card game where the stakes go to the person who can play out his or her hand by matching duplicates on the table.

new means of transport (NMT)

VAT term for some types of ships, aircraft and motorised land vehicles for the transport of passengers or goods which, when bought new in one member state for removal to another, can be bought VAT free.

The law is Value Added Tax Act 1994 s40.

The definition is given in Value Added Tax 1994 s95. A **means of**

transport is new if the period from acquisition in another member state to first entry into service is less than:

- three months for a ship or aircraft
- six months for a land vehicle, and

if in that period it has travelled under its own power for less than:

- 100 hours for a ship
- 40 hours for an aircraft
- 6000 kilometres for a land vehicle.

(Value Added Tax 1994 s95(3)).

new media	Digital media such as CD-Rom, websites, broadcast e-mail and web casting.
new name	Term used by Passport Office for the first passport to be issued to a person since they changed their name.
new oil	Oil after it has been charged under Hydrocarbon Oil Duties Act 1979 s6, as oil of one description becomes oil of a different description as a result of approved mixing in a pipeline with other oil which has been charged with duty.
new oil field	In relation to supplementary charge , “means an oil field — (a) which is a qualifying oil field, and (b) whose development (in whole or in part) is authorised for the first time on or after 22 April 2009” (Corporation Tax Act 2010 s350(1)).
new or expectant mother	Term used in health and safety regulations for a female employee who: <ul style="list-style-type: none">• is pregnant;• is breastfeeding; or• has given birth in the last six months. The employer must make an assessment of how employment conditions affect such an employee.
new parliamentary constituency	“Means an area which, for the purpose of parliamentary elections, is a constituency immediately after that date but was not such a constituency before that date” (Taxation of Capital Gains Act 1992 s261(1)(b)). There is a special tax relief for assets transferred to such an association.
new pence	The divisions of a pound from when the UK switched to decimal currency on 15 February 1971. There are 100 new pence to the pound, as against 240 old pence in the pre-decimal system. The word “new” was officially dropped in 1982.
new pensioner	Person who becomes a member of a pension payroll. The PAYE implications are set out in PAYE regulations SI 2003 No 2682 from reg 54.
Newport Urban Regeneration Company Ltd	Body designated as an urban regeneration company under Income and Corporation Taxes Act 1988 s79B (Urban Regeneration Companies (Tax)

(Designation) Order SI 2004 No 439 para 2).

news agency

Body which disseminates news.

In particular it refers to bodies authorised by the **Financial Services Authority** to make announcements about listed companies.

Until 1 April 2002, the only authorised news agency was **RNS**, run by **London Stock Exchange**. From 2 April 2002, other authorised news agencies are Business Wire Regulatory Disclosure, Newslink Financial, PimsWire and PR Newswire Disclosure.

newscaster

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 50

new securities issued with extra return

For the purposes of the **accrued income scheme**, this term is defined and the tax provisions set out in ITA s007 s649.

new shares

Term used in tax law and elsewhere to mean a share which replaces an existing share in a company **reconstruction**.

Newslink Financial

News agency. From 2 April 2002, it is one of five **news agencies** authorised by **Financial Services Authority** to make announcements about **listed companies**.

new period

In relation to an anti-avoidance provision for capital allowances, this term is given a specific meaning in Capital Allowances Act 2001 s212N(4).

new sol

Currency of Peru.

Newsom v Robertson

Leading case on the disallowance of travel expenses to a place of work. The full citation is *Newsom v Robertson* [1952] 33TC452. The case is discussed in the Inspectors' Manual at BIM37935.

newspaper advertisements

These were zero-rated for VAT before 1 May 1985. They are now standard-rated.

newspaper holding company

In relation to inheritance tax and **newspaper trusts**, the term "means a company which —

(a) has as its only or principal asset shares in a newspaper publishing company, and

(b) has powers of voting on all or most questions affecting the publishing company as a whole which if exercised would yield a majority of the votes capable of being exercised on them" (Inheritance Tax Act 1984 s87(3)).

newspaper publishing company

In relation to inheritance tax and **newspaper trusts**, the term "means a company whose business consists wholly or mainly in the publication of newspapers in the United Kingdom" (Inheritance Tax Act 1984 s87(3)).

newspapers	<p>For VAT, a publication “issued at least once a week in a continuous series under the same title” (VAT notice 701/10). They must contain a substantial amount of news and be national, international or local.</p> <p>A newspaper is zero-rated under Value Added Tax Act 1994 Sch 8 Group 3.</p>
newspaper trust	<p>Tax-advantaged trust established by a newspaper publisher of holding company and similar in operation and tax treatment to an employee trust.</p> <p>The law is given in Inheritance Tax Act 1984 s87.</p>
news service	<p>A company that provided a news digest by fax, email and Internet was not producing a zero-rated magazine for VAT purposes. The zero-rating referred to a tangible product provided on paper (<i>Forexia (UK) Ltd [1998] VTD 16041</i>).</p>
new standards	<p>In relation to leasing change, “means accounting standards which reflect one or more leasing changes” (Finance Act 2011 s53(9)).</p>
New Taiwan dollar	<p>Currency of Taiwan.</p>
newton	<p>Unit of force.</p>
Newton, Tony	<p>English Conservative politician (1937-2012) who was Secretary of State for Social Security from 23 July 1989 to 11 April 1992.</p>
New Turkish lira	<p>Currency of Turkey.</p>
New York Stock Exchange (NYSE)	<p>The main stock exchange of USA, situated in Wall Street in New York.</p> <p>It was founded on 17 May 1792, and located to its present premises on 22 April 1903. These have subsequently been expanded.</p>
New Zealand	<p>Country in Pacific Ocean. Its currency is the New Zealand dollar of 100 cents. The UK has a double taxation convention of 2003 amended by a protocol of 2007.</p>
next annual return	<p>Term used in Companies Act 2006 s410(3) to mean the return after the current one. The term is used when the directors have used alternative compliance with regard to not producing an excessively long list of related undertakings. Such a list must be produced in the next annual return.</p>
next friend	<p>Person appointed by a court to assist a child or disabled person.</p>
next 9 months	<p>In relation to a qualifying condition for the personal independence payment, this term is defined in Welfare Reform Act 2012 s81(3)(c).</p>
next of kin	<p>Nearest blood relative. This is reckoned in degrees, so from parent to child (or vice versa) is one degree, to a grandparent or grandson is two degrees.</p> <p>Under Statute of Distribution 1671, an intestate’s estate was distributed to next of kin. This was repealed in 1925.</p>

nexus	Bond, linked group, factor that provides a link in an argument.
NFA	National Futures Association.
NFFC	National Film Finance Corporation.
Nfk	Abbreviation: nakfa, currency of Eritrea.
NFPI	National Family and Parenting Institute.
NFTS	National Film and Television School.
NGN	ISO code for Nigerian naira.
ngultrum	Unit of currency in Bhutan, comprising 100 chetrum. Indian currency is also legal tender in Bhutan.
ngwee	One hundredth of a kwacha, currency of Zambia.
NH	New holding.
NHS	(1) National health service (2) Nugatory health expenditure (in armed forces).
NHS charity	Charity established by an NHS body. A full definition is given in Charities Act 2011 s149(7). Such a charity is subject to special audit requirements.
NHS foundation trust	"A public benefit corporation which is authorised... to provide goods and services for the purposes of the health service in England" (Health and Social Care (Community Health and Standards) Act 2003 s1).
NHS hospital trust	Form of NHS trust which looks after National Health Service hospitals for a defined area. In England there are 290 NHS hospital trusts looking after 1600 hospitals.
NHS trust	Organisation in the National Health Service which oversees health care in a defined area or in a defined speciality for an area. The commonest forms are primary care trusts (PCTs) and NHS hospital trusts . There are other types of NHS trust for areas such as the ambulance service and mental health care.
NI	(1) National insurance (2) Northern Ireland. (3) Citation for Northern Ireland law reports, published from 1925.
NIA	Northern Ireland Assembly.
NIAUR	Northern Ireland Authority for Utility Regulation.

NIC	(1) National insurance contribution. (2) National Infrastructure Commission.
NICA	National Insurance Contributions Act 2014.
Nicaragua	South American country. Its currency is the córdoba of 100 centavos. The UK has no double taxation treaty.
NIC&EO	National insurance Contributions and Employer Office, part of HMRC based in Newcastle.
niche	Form of memorial to the dead. The tax provisions are given in Income Tax (Trading and Other Income) Act 2005 from s172ZA, with effect from 1 March 2012.
niche market	In marketing, a clearly defined (and often small) market for one's products or services.
nick	Slang word with the meanings to steal, to arrest and a police station or prison.
nickel	Metal element. It is used with copper to make the cupro-nickel of modern "silver coins". The term is also a colloquialism for the American 5-cent coin.
nickelodeon	Juke box, or other machine that accepts coins to play music. It is not an amusement machine .
nicker	Old slang for one pound or a pound note.
Nicotania	Genus of tobacco plants. Tobacco duty is payable on the cured leaves of any plant in this genus, and on any product designed to imitate such leaves.
NIC rebate	"Following the introduction of the earnings threshold no NICs are payable on earnings between the [lower earnings limit] and the earnings threshold. However a contracted out rebate is still due on this band of earnings" (CA 84 Stakeholders Pension Scheme Manual, published by HMRC). The contracted-out rebate ceases from 6 April 2016.
NIC settlement return	An arrangement to pay national insurance in respect of tax equalised employees from overseas. This is known as an Appendix 7A arrangement .
NICT	Northern Ireland corporation tax.
NID	Abbreviation: Iraqi dinar.
NIDAC	National Import Duty Adjustment Centre. This is based at Custom House, Salford, M5 2ZZ. This replaced Lytham Sub-Office in 1996 and deals with Guarantees (both Individual and Accounts) and carries out the final adjustment for duties paid on deposit.

NIE	Northern Ireland Executive.
niece	Daughter of a brother or sister. Originally the term meant any female descendant. A niece is sometimes regarded as a relative for tax purposes.
NIF	Note issuance facility.
niffer	Scottish term meaning to barter or haggle.
Niger	African landlocked country, pronounced "knee-share" where the SH is like the S in treasure. Its currency is the CFA franc of 100 centimes. The UK has no double taxation treaty.
Nigeria	African country. Its currency is the naira of 100 kobo. The UK has a double taxation convention of 1987.
niggard	One who is reluctant to spend money, even on necessities.
niggardly	Behaving as a niggard .
nigger	Term for a black person which has long been regarded as offensive.
night	For Customs purposes "means the period between 11pm and 5am" (Customs and Excise Management Act 1979 s1(1)). For the purposes of night poaching , night is defined as "to commence at the expiration of the first hour of sunset and to conclude at the beginning of the last hour before sunrise" (Night Poaching Act 1828 s12).
night poaching	Offence of taking game or rabbits by night (Night Poaching Act 1828).
night premium	Addition to normal pay for an employee who works at night time, as defined by the employer.
night safe	Safe in the outside wall of a bank in which customers may deposit their takings.
nihil	Latin: nothing; no goods.
nihil ad rem	Latin: nothing to the point.
nihilism	Philosophy that developed in 19 th century Russia, questioning conventional and established values.
Nikkei	Most widely used Japanese share index as published in its newspaper <i>Nihon Keizai Shimbun</i> since 7 September 1950. It measures Japanese share prices of the 225 leading companies.
Nikkei 225	Another name for Nikkei .

Nikko	Leading Japanese company dealing in securities.
nil	Zero.
nil band	<p>Slice of estate that is excluded from inheritance tax.</p> <p>The amount was set at £325,000 from 6 April 2010. If the transferor has inherited from a former spouse or civil partner, the nil band may be increased by up to 100% under the transfer of unused nil-band provisions.</p> <p>Inheritance Tax Act 1984 s8 requires the nil band to be indexed unless Parliament decides otherwise, which it has done frequently.</p>
nil cash benefit	<p>Term used in Income Tax (Earnings And Pensions) Act 2003 s151 when an employee is not assessed to income tax on the value of road fuel provided for a company car because either:</p> <ul style="list-style-type: none">• the car may only be used for business, or• the employee is required to refund the cost of fuel used for private journeys.
nil desperandum	Latin: never say die.
nil FPS	A full payment submission (FPI) under real time information which states that the employer has not paid any employees during the month or quarter being reported.
nil paid shares	Shares for which the shareholders have yet to make any payment.
nil rate band	The first slice of a donation or inheritance on which inheritance tax is not payable.
nil-rate band maximum	Term used in Inheritance Tax Act 1984 s8A(7) to mean the maximum amount by which the nil band may be increased under the transfer of unused nil-band provisions. The maximum is 100% of the band applicable on the transferor's death.
nil return	Any return which reports an amount of zero for the period.
nil tax code	<p>For PAYE, a code that indicates that no tax is to be deducted or refunded in the current or future pay period. The code operates on a non-cumulative basis unless HMRC specifically directs otherwise (PAYE Regulations SI 2003 No 2682 reg 33).</p> <p>Its definition is a special code "which requires no deduction of tax" (ibid reg 7(3)(c)).</p> <p>The code is NT.</p>
NIM	Prefix for HMRC's tax manual on national insurance.
nine-eleven	<p>The term now widely used for the terrorist attack on 11 September 2001 when two aeroplanes were flown into the twin towers of the World Trade Center in New York.</p> <p>Coincidentally, 911 is also the emergency telephone number in USA, the</p>

equivalent to 999 in the UK.

ninja loan	Colloquialism for a loan given to a person with no income or assets and who is therefore unlikely ever to repay it. Such loans are made by companies desperate to increase their lending figures.
NIO	ISO code for Nicaraguan 43cordoba.
NIP	Non-investment product.
nip	Small measure of alcoholic drink of various sizes.
NIR	Northern Ireland rate. In relation to corporation tax, this abbreviation is used in Corporation Tax Act 2010 s357JJ.
NI rate activity	In relation to capital allowances in Northern Ireland, this term is defined in Capital Allowances Act 2001 s6C.
NIRE	Northern Ireland regional establishment.
NIRE company	In relation to capital allowances in Northern Ireland, this term is defined in Capital Allowances Act 2001 s6A.
NIRU	National Import Reliefs Unit.
NIS	Abbreviation: new Israeli shekel.
nisi	Latin: unless.
nisi prius	Latin: unless before. A term once used in writs for a sheriff to bring an accused to Westminster on a certain day unless before that day, a judge holds an assize in that county.
NIT	Negative income tax.
nitroglycerine	Substance included in the list of explosives for which there are special Customs provisions (Explosives Act 1875 s3(1)).
nix	Slang for "nothing", particularly when meaning financial reward.
NL	Country prefix code for Netherlands.
NLGS	National Loan Guarantee Scheme.
NLJ	New Law Journal. This is used as a citation for law reports from 1965.
NLW	National living wage.

NMD	Non-ministerial department.
NMRO	National Measurement and Regulation Office.
NMS	Normal market size.
NMT	New Means of Transport.
NMW	National minimum wage.
NMWM	Prefix for HMRC's tax manual on national minimum wage.
NNP	Non-natural person , usually a company.
noble	Corrupt by bribery, swindle, cheat.
noble	Old English gold coin worth 6s 8d issued between 1344 and 1465.
noblesse oblige	French: rank obliges. The implied responsibility a person of rank has for those of lower rank. By extension, the term has been applied to economies in which the rich are seen as having an ethical duty to support the poor.
no business acquisition condition	In relation to venture capital trusts, this term is defined in Income Tax Act 2007 s280D as inserted by Finance (No 2) Act 2015 Sch 6.
no claims bonus	Discount offered on an insurance premium because no claims have been made on it for years. Such a bonus can exceed 60%.
no comment	Statement by a person that they decline to answer a question.
no-counteraction notice	Notice issued by HMRC under Income Tax Act 2007 s698A stating that no counteraction is required in relation to anti-avoidance provisions relating to transactions in securities, as set out in Income Tax Act 2007 Part 13 Chapter 1, as amended by Finance Act 2016 s34.
node	For blockchain , a node "is a computer that is participating in a blockchain, by posting transactions and maintaining a copy of the ledger. Nodes may or may not be miners ."
no extended tie in	Term in a mortgage which means that, at the end of a fixed capped or discounted rate period, the borrower does not have to pay an early redemption charge to pay off the mortgage early.
no fault dismissal	Proposal in the Beecroft report of 2011. It would have allowed employers to dismiss employees regardless of length of service, provided it compensated the employees. In effect, it would abolish the concept of unfair dismissal. The government rejected the idea. The government elected in 2015 has said that

it also has no plans to introduce it.

no gain/no loss basis	For capital gains tax, a disposal which is regarded as creating neither a taxable gain nor an allowable loss. The law is Taxation of Capital Gains Act 1992 s56. The sections under which the provision applies are listed in Taxation of Capital Gains Act 1992 s288(3A).
noggin	Imprecise small measure of drink, usually of about a quarter of a pint.
no hours rule	Element of universal credit in that the claimant is restricted to the number of hours worked in a week to qualify for a particular benefit. Universal credit is paid for any number of hours worked.
noise	In investment, movements in security values that cannot be explained in terms of fundamentals. Investors usually avoid decisions based on noise.
NOK	(1) Next of kin. (2) ISO code for Norwegian krone.
nolens volens	Expression from Latin words, meaning willing or not.
no-limit	Gambling term for a game that allows a player to bet all his chips at any betting round.
no limit order	In investment, an order to buy or sell a given security without any restrictions about price.
no linked loans requirement	Requirement under tax law that an investor must not have a linked loan with a company in whose shares he wishes to claim EIS relief (Income Tax Act 2007 s164).
nolle prosequi	Acknowledgment of undertaking by the prosecution not to proceed with a case.
no load fund	Mutual fund where investors deal directly with the investment company rather than through a broker. The term comes from the fact that no commission is payable.
nolo contendere	Latin: I am willing to contend.
nolumus leges Angliae mutari	Latin: we will not have the laws of England changed.
NOMAD	Nominated adviser.
nom de guerre	French: war name. The term means an assumed name.
nom de plume	French: pen name. False name by which a writer is known.

nominal	(1) Description of an amount which is very small. (2) In investment, a figure that has not been adjusted for inflation.
nominal account	Account for recording expenses of a particular type.
nominal asset	Another name for a fictitious asset .
nominal interest rate	Rate of interest which is quoted and often used in calculations, but which needs to be converted to an APR or equivalent to make it comparable.
nominal ledger	In accounting, the record where debit and credit balances are recorded against various accounts, and from books of prime entry, and from which the trial balance is extracted.
nominal owner	Person who is identified as the owner of an asset, but who may hold it as a trustee or steward for someone else, known as the beneficial owner .
nominal scale	In statistics, another name for a categorical scale .
nominal share capital	Total value of the shares a company is allowed to issue under its memorandum of association.
nominal trust fund	Trust which contains a small amount of funds solely for the purpose of establishing the trust. The law does not allow a trust to be created unless it owns property. The amount is often £10. The trust awaits the receipt of the substantive trust fund . Nominal trust funds are often encountered in inheritance tax where they are created to receive funds on a settlor's death.
nominal value	Amount stated on a share certificate as the value of the share when first issued. The value which must be ascribed to each share of a UK company (Companies Act 2006 s542(1)).
nominated adviser (NOMAD)	In investment, an exchange-approved adviser that helps companies float on an exchange and, usually, provides advice after flotation.
nominated asset	Asset that can be transferred on death to a beneficiary nominated by the deceased. Such a transfer takes effect outside the will or intestacy provisions. The assets are mainly small savings products, such as National Savings bank accounts, National Savings certificates and deposits with friendly societies. The value of such assets are still part of the deceased's estate and may therefore affect the amount of inheritance tax payable.
nominated date	For pensions, term used in a money purchase arrangement other than a cash balance arrangement. It is such date as the individual or scheme administrator nominates, or in the case of any other arrangement, such date as the scheme administrator

nominates.

nominated partner

Another term for **representative partner**. It is the member of a **partnership** who is responsible for submitting details of the partnership's profits and capital gains to the tax authorities.

In the context of digital reporting and record-keeping, a nominated partner "is a partner nominated for the purposes of this Schedule —

(a) by the partners, or

(b) by the Commissioners"

(Taxes Management Act 1970 Sch A1 para 5(2) as inserted by Finance (No 2) Act 2017 s60(2)).

nominated proceeds

Term used in relation to corporation tax on oil companies. Tax provisions are contained in Corporation Tax Act 2010 s283 and adjacent sections.

nominator

Person who nominates someone, particularly for a **statutory nomination**.

nominee

General

Person who is nominated, particularly someone nominated to represent a person in financial negotiations.

In this context, the term can refer to the **trustee** in a **bare trust**, where the settlor wishes to hide his or her identity.

The capital gains tax position is given in Taxation of Capital Gains Act 1992 s60.

Insolvency

Name given to insolvency practitioner at the start of the **IVA** process.

nominee account

Account held in one person's name but for the benefit of another, known as the **beneficial owner**.

nominee company

Company, often formed by a bank or financial institution, that operates accounts on behalf of a beneficial owner.

nominees' annuity

In relation to taxation of pensions, the term is defined in Finance Act 2004 Sch 28 para 27AA(1) as inserted by Finance Act 2015 Sch 4 para 3.

nominee shareholder

Person who is registered as the holder of shares but who may hold them for the benefit of another.

Under Taxes Management Act 1970 s26, a shareholder may be required by HMRC to state whether he is the beneficial owner of the shares.

nominis umbra

Latin: shadow of a name. Term used for a one-man company.

nomocracy

Government according to a system of laws.

Nomura

Leading Japanese company dealing in securities.

non-acceptance

Goods

Refusal to accept something.

Sale of Goods Act 1979 s50 explains the consequence of non-acceptance of goods.

Bills of exchange

When a holder of a **bill of exchange** is not accepted for payment when presented within the customary time.

The non-acceptance of a bill constitutes its being **dishonoured** (Bills of Exchange Act 1882 s43(1)). Such dishonouring creates an immediate right of recourse to the drawer of the bill (s43(2)).

non-active partner

Tax term for a **sleeping partner**.

There are restrictions on how much tax loss relief such a partner may claim in respect of his share of a partnership loss (Income Tax Act 2007 s103B).

non-adjusting event

Post-balance sheet event that relates to circumstances that did not exist at the date of the balance sheet (SSAP 17).

non-advanced education

Education at a level below the highest level. The term is relevant for claiming social security benefits. For example, **child benefit** may be claimable for a young person in non-advanced education but is not claimable for a young person in advanced education.

Non-advanced education includes GCSEs, A-levels and AS levels, NVQ level 3 and below, National Diploma or Ordinary National Diploma and Scottish equivalents.

non-advisor test

For tax avoidance schemes, one of three tests a **scheme designer** must satisfy not to be regarded as a promoter.

"The non-adviser test applies where a person who, although involved in the design of a scheme, does not contribute any tax advice. This test does not apply to a bank or securities house. This might typically happen where:

- a promoter consults a law firm (which has a business that includes giving tax advice) in relation to company law. The law firm will not become a promoter as long as it provides no tax advice (other than benign advice) in the course of carrying out its responsibilities

- a promoter consults an accounting firm in relation to accounting aspects of a scheme. The firm is not a promoter so long as it provides no tax advice in the course of carrying out its responsibilities" (HMRC leaflet DOTAS, January 2016).

non aliter a significatione verborum 48imila oportet quam cum manifestum est aliund senisse testatotum

Latin: there should be no departure from the ordinary meaning of words except in so far as it appears that the testator meant something different.

This is the legal basis under which wills are interpreted.

no names basis

Approach to HMRC to ascertain the tax position on a matter without disclosing the name of the taxpayer.

In some cases, such as the **Liechtenstein Disclosure Facility**, this is permitted. However, payment of tax, submission of returns and disclosure of

underpayments always require disclosure of taxpayer's identity.

non-Annex I goods

Products which result from the processing of basic products and which, although they are not included in the products listed in Annex I to the Treaty of Rome, are eligible for refund or duty in respect of the basic products used in their manufacture.

non-assignment of receivables term

In relation to a contract "is a term which prohibits or imposes a condition, or other restriction, on the assignment (or, in Scotland, assignation) by a party to the contract of the right to be paid any amount under the contract or any other contract between the parties" (Small Business, Enterprise and Employment Act 2015 s1(2)).

non assumpsit

Latin: he did not promise. The defence to an action for **assumpsit**.

non-attributable

Basis for passing information to a journalist. It is similar to the **Chatham House Rules**.

A non-attributable conversation allows the journalist to publish what you say but not to identify the source. This is a halfway house between **on the record** and **off the record** conversations.

non-audit services

Term sometimes used to mean services other than auditing provided by an auditor to a limited company. Such services must be disclosed by the company under Companies Act 2006 s494.

non-banking accounting period

In relation to corporation tax surcharge on banks, this "is an accounting period in relation to which the company was not a banking company" (Corporation Tax Act 2010 s269DC(2)).

non-banking company

In relation to transferable losses and corporation tax surcharge on banks, "means a company that is not a banking company at the time that the allowable loss, or such part of it as the election transfers, is treated as accruing by virtue of the election" (Corporation Tax Act 2010 s269DC(15) and s269DD(4)). This term is defined for *ibid* s269DC(14), and makes reference to Taxation of Capital Gains Act 1992 s171B(3).

non-banking loss transfer

In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DC(14).

non-banking or pre-2016 carried forward capital loss

In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DC(13).

non-banking or pre-2016 carried-forward credit for foreign tax

In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DL(8).

non-banking or pre-2016 carried forward excess capital allowance on special leasing

In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DB(11).

non-banking or pre-2016 carried-forward miscellaneous loss

In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DC(12).

non-banking or pre-2016 carried forward non-trading deficit

In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DC(4).

non-banking or pre-2016 carried-forward overseas property loss

In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DB(10).

non-banking or pre-2016 carried-forward UK property loss

In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DB(9).

non-banking or pre-2016 management expenses

In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DB(6)-(8).

non-banking or pre-2016 non-trading loss on intangible fixed assets

In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DC(16).

non-banking group relief

In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DB.

non-banking or pre-2016 relief

In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DC.

non-banking transferred-in gain

In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DD(3).

non-banking transferred-out gain

In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DD(2).

non-beneficial occupation

Occupation of employer-provided accommodation that does not create a taxable benefit.

non-business activities

An activity that is not predominantly concerned with the making of a supply for a consideration.

VAT notice 700 gives as examples:

- providing free services or information;

- maintaining museums, parks or historic sites (unless there is an admission or other charge); and
- publicising religious or political views.

It continues that a hobby is a non-business activity, unless its scale and nature makes it a business.

non-business day	For purposes of bills of exchange, cheques and promissory notes: “(a) Saturday, Sunday, Good Friday, Christmas Day; (b) A bank holiday under the Banking and Financial Dealings Act 1971; (c) A day appointed by a Royal proclamation as a public fast or thanksgiving day; (d) A day declared by an order under section 2 of the Banking and Financial Dealings Act 1971 to be a non-business day”. (Bills of Exchange Act 1882 s92).
non-business use	Personal use or any use other than for the business. The term is relevant in taxation, as assets acquired for a non-business use, such as for a director's home, are not tax-deductible.
non-CAA profits	“Means profits before account is taken of any CAA allowances or CAA charges ” (Income Tax (Trading and Other Income) Act 2005 s275).
non-callable	In investment, description of a financial product that cannot be redeemed before maturity.
non-cancellable	Description of a contract, particularly of insurance, which continues in force provided the premiums are paid. The insurer cannot make changes to or revoke the insurance during this time.
non-cancellable period	In relation to a lease of plant and machinery, “is any period during which the lessee may terminate the lease only — (a) upon the occurrence of some remote contingency, or (b) upon payment by the lessee of such an additional amount that, at the inception of the lease, continuation of the lease is reasonably certain” (Capital Allowances Act 2001 s70YF(4)).
non-cash asset	For Companies Act, “means any property or interest in property, other than cash. For this purpose ‘cash’ includes foreign currency” (Companies Act 2006 s1163(1)).
non-cash item	Item in the accounts which is regarded as an income or expense but does not represent any cash transaction for that year. An example is depreciation.
non-cash transactions	Financial transaction that does involve any cash changing hands. In accounting, such transactions are excluded from the statement of cash flows as explained in FRS 102 sections 7.18-7.19.
non-cash voucher	For the purposes of determining the tax on benefits in kind, means: “(a) a voucher, stamp or similar document or token which is capable

of being exchanged for money, goods or services,

(b) a childcare voucher,

(c) a transport voucher, or

(d) a cheque voucher.”

(Income Tax (Earnings And Pensions) Act 2003 s84(1)).

When provided for an exempt benefit, the exemption is provided by *ibid* s266.

- non cepit modo et forma** Latin: he did not take in the manner and form [alleged].
- non-certificated bailiff** Person who can collect money but whose powers to seize goods are limited.
- non-charitable expenditure** The term is defined in Income Tax Act 2007 s543.
- non-commercial increase** Term used in relation to employment-related securities where the market value has been artificially adjusted (Income Tax (Earnings And Pensions) Act 2003 s446L).
- non-commercial society** Term used in Gambling Act 2005 s19 to describe a charity, sports or arts body or other non-commercial body. This description exempts the body from some of the requirements of the Act, which allows churches and charities to run raffles and tombolas, provided there is no private gain.
- non-commercial use** Use for non-profit-making scientific research or educational purposes.
- non-commissioned officer (NCO)**
“Includes a person whose rate is chief petty officer, petty officer or leading rate” (Armed Forces Act 2006 s374).
- non-community** Description of goods that are not of European Union (EU) origin nor imported goods which have not been released into free circulation.
- non-community countries (Third Countries)**
Countries outside the Customs Territory of the European Union (EU). Certain areas within the national territory of Member States are deemed to be outside the Customs Territory of the EU and are therefore non-member countries.
These are: the German territory of Busingen (bordering Switzerland) and the Islands of Heligoland; the Italian communes of Livigno and Campione (bordering Switzerland); the Danish territory of the Faroe Islands and Greenland; the French overseas territories; the Spanish Canary Islands and the North African enclaves of Ceuta and Melilla; and Andorra.
- non-community goods** Goods which are not of European Union (EU) origin nor imported goods which have not been released into free circulation.
- non-competitive bid auction** In investment, a method of purchasing government bonds in which bidders agree to buy a specified number of securities at the average price bid.

non compos mentis	Latin: not in sound mind.
non-conforming loan	American term for a mortgage loan which does not correspond to US federal government guidelines.
non constat	Latin: it does not follow.
non-contributory	Description of a financial arrangement to which a beneficiary does not make any financial contribution. The term is commonly used for pension funds.
non-contributory benefit	Social security benefit where entitlement does not depend on how much national insurance has been paid.
non-controllable cost	In management accounting, a cost that cannot be controlled by a manager within his or her responsibility, though it may be controllable within the wider organisation.
non-controlling interest	<p>Another term for minority interest.</p> <p>“The equity in a subsidiary not attributable, directly or indirectly, to a parent” (FRS 102 glossary).</p> <p>Non-controlling interest is now the favoured term. The accounting treatment is set out in FRS 102 sections 9.20 to 9.22.</p>
non-cooperating country or territory (NCCT)	<p>Country listed by Financial Action Task Force as either unable or unwilling to co-operate in addressing problems of money laundering or terrorism funding. In 2000, there were 15 NCCTs. Since November 2009, there are none.</p>
non co-operation route	<p>Provision of the Contractual Disclosure Facility (CDF).</p> <p>Under CDF, a taxpayer suspected of fraud may be offered to settle the matter under CDF and so avoid a criminal prosecution and higher penalties. A taxpayer has 60 days in which to accept or decline the offer.</p> <p>A taxpayer who does not respond within 60 days is regarded as having not co-operated under this route. As a consequence, the suspected fraud may be investigated under criminal procedures.</p> <p>Details of this route are given in para 2.8 of the revised Code of Practice COP 9 issued on 19 January 2012.</p>
non-corporate distribution rate (NCDR)	<p>Charge imposed on companies between 1 April 2004 and 31 March 2008 who paid corporation tax at the starting rate of zero, and paid dividends. The NCDR was set at 19%. This meant that companies only enjoyed the benefit of the zero starting rate on retained profit.</p>
non culpabilis	Latin: not guilty.
non-cumulative basis	<p>Method of operating PAYE as if every pay period were the first in the tax year.</p> <p>It is an exception to the normal cumulative rule. It may only be used when specifically required by regulations or directed by HMRC (PAYE Regulations SI 2003 No 2682 reg 26).</p>

non-cumulative preference share

Preference share where any interest not paid in one year is lost. The interest is not added to the amount payable in any future year.

non-current assets

Any asset that does not meet the definition of a current asset. Also described as **fixed assets**.

“Assets of the entity which —

(a) it does not expect to realise, or intend to sell or consumer, in its normal operating cycle;

(b) it does not hold primarily for the purpose of trading;

(c) it does not expect to realise within 12 months of the reporting period;

(d) are cash or cash equivalents restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period” (FRS 102 glossary).

The term “non-current assets” is preferred by international accounting standards.

non-current liabilities

Any liability that does not meet the definition of a **current liability**. Also described as **long-term liabilities**.

“Liabilities of the entity which are not current liabilities” (FRS 102 glossary).

The term “non-current liabilities” is preferred by international accounting standards.

non debet, cui plus licet, quod minus et non licere

Latin: it is lawful for a man to do a lesser thing if he is entitled to do a greater thing.

non declarable transaction

Transaction where there is no obligation to pay stamp duty or to notify HMRC. Details are given in Finance Act 2003 Sch 11.

non-deferred annuity

“Means an annuity —

(a) which is not granted under a contract for a deferred annuity, and

(b) which is granted in the ordinary course of a business of granting annuities on the life of a person”

(Taxation of Capital Gains Act 1992 s204(9)).

non-delivery

Where something is not delivered which should have been. Sale of Goods Act 1979 s51 allows for damages for non-delivery of sold goods.

non-departmental public body (NPB)

Body that is established under statutory authority but which operates independently of government.

non-disclosure agreement (NDA)

Confidentiality clause in a contract or agreement that prevents publication of certain facts. They are often used to settle disputes.

non-discrimination notice Notice issued under Sex Discrimination Act 1975 s67 requiring a person to end a practice of unlawful discrimination.

non-distributed costs Past service pension costs including settlements and curtailments which are not to be included in total individual service costs.

non-domiciled Having a **domicile** that is not the UK. The income tax consequences are given in Income Tax Act 2007 from s828A.

non-domiciled spouse Transfers to a non-domiciled spouse or civil partner are not wholly relieved for inheritance tax. Instead the tax-free transfer is limited to a fixed amount (Inheritance Tax Act 1984 s18(2)). From 6 April 2012, this amount has been the same as the **nil rate band** for inheritance tax, namely £325,000.

For earlier periods, the limit is as shown in the table:

From	Amount
9 March 1982	£55,000
26 March 1980	£50,000
27 October 1977	£25,000
27 March 1974	£15,000

non-driving conduct Rules which relate to drivers of **large goods vehicles** and **passenger carrying vehicles** but which do not relate to **driving conduct**.

Non-driving conduct includes all offences which are not spent under **Rehabilitation of Offenders Act 1974**. If any conviction is disclosed, DVLA considers whether a licence may be issued.

non-equity dividend Dividend relating to **non-equity shares** (FRS 4).

non-equity shares

“Shares possessing any of the following characteristics:

(a) any of the rights of the shares to receive payments (whether in respect of dividends, in respect of redemption or otherwise) are for a limited amount that is not calculated by reference to the company's assets or profits or the dividends on any class of equity share:

(b) any of their rights to participate in a surplus in a winding up are limited to a specific amount that is not calculated by reference to the company's assets or profits and such limitation had a commercial effect in practice at the time the shares were issued or, if later, at the time the limitation was introduced;

(c) the shares are redeemable either according to their terms, or because the holder, or any party other than the issuer, can require their redemption” (FRS 4 para 12).

The same definition appears in FRS 6 para 2.

non-essential assets

In Scotland, “corporeal moveable property of the debtor's which is kept in a dwellinghouse” (Debt Arrangement and Attachment (Scotland) Act 2002 Sch 2 para 1).

The Schedule then lists those assets which may not be taken in

satisfaction of a debt.

non est

Contraction of non est inventus, Latin for "not to be found".
The term means that the sheriff cannot find the person.

non-established taxable person (NETP)

Person who is registered to account for VAT in the UK, but who is not resident in the UK. From 1 January 2002, HMRC has a right to require an NETP to appoint a representative to act on the NETP's behalf.

non-established taxable person

VAT term for an individual, firm or company in another country, which makes taxable supplies in the UK, but has no business establishment in the UK.

non est factum

Latin: it is not his deed.
An old common law defence which excused a person from being bound from a document he signed but was ignorant of its contents.

non est investus

Latin: he has not been found.
The return a sheriff makes when he cannot find a person he is required to arrest.

non-EU recipient

In relation to data processing, "means —
(a) a recipient in a third country, or
(b) an international organisation"
(Data Protection Act 2018 s80(2)).

non-exchange transaction

In accounting, "a transaction whereby an entity receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange" (FRS 102 glossary).

non-excludability

Economic principle that once goods are provided, it is impossible to stop people consuming them, even if they have not paid for them.

non-executive director

Director of a company but who is not involved in its day-to-day management.
Cadbury Report of 1992 recommended that all listed companies should have non-executive directors to provide independent judgment on strategy, performance and standards of conduct.

non-exempt miscellaneous income

Broadly, income of a charitable trust that is taxable (Income Tax Act 2007 s528).

non-exempt miscellaneous losses

Loss that arises from a transaction which, had it been profitable, would have been taxable as **non-exempt miscellaneous income** (Income Tax Act 2007 s528(5)).

non-exempt unauthorised unit trust (NEUUT)

Any unauthorised unit trust that is not an **exempt unauthorised unit trust**.
Its tax treatment is explained in HMRC Guidance Note of 10 December 2013.

non-feasance

Failure to do something that should be done.

non-financial asset

In accounting, it is recognised that these will usually be valued using a method other than **historical cost**. Guidance is provided in FRS 102 section 2.49.

non-financial performance measure

In management accounting, an indicator of performance that can be measured but not in financial terms. An example is polling staff to obtain a measure of job satisfaction.

Non-Financial Reporting Directive

EU Directive, effective for accounting periods that start on or after 1 January 2017.

It requires EU companies with an average of more than 250 employees to report various policies and practices relating to employment, social matters, human rights and action against bribery and corruption. Some companies are also required to report policies in relation to diversity in corporate governance.

non-food additives

Term used in VAT notice 701/14 for such products as "bicarbonate of soda, saltpetre and other single chemicals for use in brining or other processing of meats or fish". They are standard-rated for VAT.

non-forfeiture clause

Clause in a life insurance policy that sets out the terms under which the policy may remain in force if the premium remains unpaid.

non-geographic number

Telephone number that is not determined by the area of the subscriber so that all callers to that number pay the same charge regardless of where they live. Since 2001 most non-geographic numbers start 03.

non-group life policy

Policy of insurance under which the only benefits which may become payable are benefits payable in consequence, or anticipation of: the death of the individual or the death of one of a group of individuals which includes the individual (e.g. a policy which covers a number of individuals but only pays a benefit out on the first death or last survivor' death) or the deaths of more than one of a group of individuals (e.g. a policy which pays a benefit out on the death of each of the individuals) where the group includes the individual, and the other members of the group are connected with the individual in accordance with section Finance Act 2004 s195A(8).

The term is defined in Finance Act 2004 s195A(2).

non-historic

Description of an amount which has not been calculated on the historical cost basis.

nonillion	One thousand raised to the tenth power.
non incautus 58imila	Latin: not unmindful of the future.
non-instalment option property	HMRC term for property for which the instalment option has not been chosen.
non-judgmental	Counselling attitude which avoids any suggestions of right or wrong to allow the problem to be addressed.
non-large company	Company that does not have to pay corporation tax in instalments.
non-legal staff	Employee of Revenue and Customs Prosecutions Office who is not a prosecutor but may undertake certain legal functions (Commissioners for Revenue and Customs Act 2005 s39).
non licet	Latin: it is not allowed.
non licet fumare	Latin: no smoking.
non-life policy of insurance	“Means — (a) a contract made in the course of a capital redemption business, within the meaning of Chapter 1 of Part 12 of the Taxes Act, and (b) any policy of insurance which is not a policy of insurance on the life of any person” (Taxation of Capital Gains Act 1992 s204(10)).
non liquet	Latin: it is not clear.
non-mechanical line	Assembly line where components do not move on conveyor belt but are fetched by the assemblers.
non-ministerial department (NMD)	Independently run body answerable to the Scottish Parliament. Revenue Scotland is an NMD.
non mi ricordo	Latin: I do not remember.
non-monetary items	Item which is not money but has a value.
non-money earnings	Term used in Income Tax (Earnings And Pensions) Act 2003 s19 to mean benefits in kind and similar reward for employment other than money earnings .
non-natural person (NNP)	Legal person who is not a natural person. An NNP is usually a limited company. The term is used in relation to Annual Tax on Enveloped Dwellings .
non-negotiable	Description of a financial instrument which cannot be exchanged for cash, such as a crossed cheque.

non-notice Failure to give notice for dishonouring a bill of exchange (Bills of Exchange Act 1882 s50).

non observata forma infertur adnullatio res
Latin: non-observance of the prescribed formalities involves the invalidity of the proceedings.

non obstante veredicto Latin: notwithstanding the verdict.

non olet pecunia Latin: the money does not stink.
This is a quotation attributed to Emperor Vespasian meaning that the source of funds does not matter.

non omittas propter libertatem
Latin: do not omit the proper execution.

non omne quod licet honestum est
Latin: all things that are lawful are not honourable.

non-operational In relation to the remittance basis, this term is given a specific meaning for a target company in Income Tax Act 2007 s809VH(6).

non-originating Customs description of products which cannot be shown to meet either condition for **originating products**.

non-participating funds Term used in Income and Corporation Taxes Act 1988 s432C in relation to determining the tax liability of life assurance companies.

non-participating life insurance policy
Life insurance policy that does not participate in the profits of the insurance company.

non-performing loan American term for a loan where there is no expectation that either the principal or any interest will be paid. The term is particularly used for loans to poor countries.
Banks usually make a provision in their accounts for such loans when 90 days overdue for commercial loans, and 180 days for personal loans.

non placet Latin: it is not approved.

non possessori incumbit necessitas probandi prsessiones ad se pertinere
Latin: a person in possession is not bound to prove that what he possesses belongs to him.

non potest rex gratiam facere cum injuria et damno aliorum
Latin: the king cannot confer a favour on one man to the injury and damage of others.

- non-primary purpose trading** When a charity decides “to use trading activities as a way of raising money” such as selling goods in a shop or through a catalogue (VAT notice 701/1). Such activities must be conducted through a **subsidiary trading company**.
- non-priority debt** Debt whose non-payment does not have immediate serious consequences for the debtor.
- non-priority order** **Attachment of earnings** order issued under Attachment of Earnings Act 1971 for sums owed other than unpaid fines and child maintenance.
The employer must deduct a sum stated from each payslip and pay it to the court which issued the notice. A non-priority order must only be deducted when all **priority orders** have been dealt with.
- non-profit** Description of an organisation which is constituted for a purpose other than the enrichment of its owners. Examples include charities, trade unions, educational establishments, government and local authority bodies, professional bodies and social clubs.
The tax definitions are given under **non-profit-making**.
- non-profit company** In relation to taxation of insurance companies, means “a company carrying on **long-term business** where, at the end of the period:
(a) none of the liabilities of that business, or
(b) none but an insignificant proportion of those liabilities” (Income and Corporation Taxes Act 1988 s431(2)).
- non-profit-making** **General**
Description of an organisation that “does not carry on a trade and its functions do not consist wholly or mainly in the holding of investments or other property” (Income Tax (Earnings And Pensions) Act 2003 s99(4)).
In relation to the taxation of a director of such a company “means that —
(a) the company does not carry on a trade, and
(b) its functions do not consist wholly or mainly in the holding of investments or other property” (Income Tax (Earnings And Pensions) Act 2003 s223(8)).
- Value added tax**
For VAT, “we consider, when judging whether an organisation is non-profit-making, the objects for which an organisation has been established, as distinct from the financial policy being pursued. Although the organisation may generate income surpluses from various activities, we will not refuse recognition as a non-profit-making organisation simply because these surpluses subsidise other activities. If a body has a constitution or articles of association that bars it from distributing surpluses of income over expenditure to its members, shareholders or any other party, other than in the event of a liquidation or cessation of activities, we normally accept it as non-profit-making for the purposes of this exemption. However, the existence of any provision barring distribution will not necessarily be the sole factor in determining whether an organisation is non-profit-making”

(VAT notice 701/5).

- non-profits fund** In relation to taxation of insurance companies, means “a fund that is not a with-profits fund” (Income and Corporation Taxes Act 1988 s431(2)). There are many specific tax provisions in the sections that follow.
- non pro nobis laboramus** Latin: we labour not for ourselves. This has been adopted as a motto by various bodies.
- non pros** Abbreviation of **non prosequitur**.
- non prosequitur** Latin: he does not follow up. An old ground for striking out a legal claim.
- non-public interest company** “Means a company that is not a **public interest company**” (Companies Act 2006 s519A(1)).
- non-qualifying life policy** UK life assurance policy that does not satisfy the legal requirements of tax law.
- non quod voluit testator, sed quod dixit, in 61testamento inscipitur**
Latin: not what the testator wished, but what he said, is considered in construing a will.
- non-reciprocal import preference**
Another name for autonomous import preference.
- non-recurring item** Items which appear in a set of accounts but are not expected to appear again.
- non refert an quis assensum suum praefert verbis, an rebus ipsis et factis**
Latin: it matters not whether a man gives his assent by his words, or by his acts and deeds.
- non refert quid notum sit iudici, si notum non sit in forma iudicii**
Latin: it matters not what is known to the judge, if it be not known judicially.
- non-refundable** Description of a deposit or payment which will not be refunded, such as if the payer decides not to proceed with a transaction.
- non-regular way** In investment, a trade made with specific conditions that differ from standard conditions.
- non-reliance letter** Letter indemnifying an auditor or other professional adviser from any legal action in connection with information provided by the auditor or adviser.
The auditor will usually draft the letter and required it to be signed before releasing the information.
In tax, HMRC has not indicated whether it will accept such a letter as part of an **Independent Business Review** when a taxpayer seeks a **Time to Pay** arrangement for a sum greater than £1 million.

non-resident	Person who does not reside in a particular country. Their income tax liability is set out in Income Tax Act 2007 from s810.
non-resident bank	Its corporation tax position is given in Corporation Tax Act 2009 from s25.
non-resident company	Company that is regarded as being not resident in the UK. Its liability for corporation tax is set out in Corporation Tax Act 2009 from s19.
non-resident group	Group of companies none of which are UK resident. If a group contains resident and at least two non-resident companies, the non-resident companies comprise a non-resident group (Taxation of Capital Gains Act 1992 s14(4)).
non-resident insurance company	“Means an insurance company that is not resident in the United Kingdom” (Non-Resident Insurance Companies Regulations SI 2003 No 2715 reg 2). Insurance company is defined in Income and Corporation Taxes Act 1988 s431(2).
non-residential pitch	In the context of the VAT exemption for land in seasonal caravan accommodation “means a pitch which — (a) is provided for less than a year, or (b) is provided for a year or more and is subject to an occupation restriction and which is not intended to be used as the occupant’s principal place of residence during the period of occupancy” (Value Added Tax 1994 Sch 9 Group 1 Note (14A) as inserted by Value Added Tax (Land Exemption Order) SI 2012 No 58 with effect from 1 March 2012).
non-resident parent	Parent who does not live with the child and who usually makes payments to the other parent, known as the parent with care . Before 18 January 2001, a non-resident parent was known as an absent parent.
non-resident period	Period for which a migrating settlement was not UK resident (Taxation of Capital Gains Act 1992 s89).
non-resident qualifying company	Non-resident company that would be a close company if it were UK-resident (Taxation of Capital Gains Act 1992 s96).
non-rivalry	Economic term for when consumption by one person does not reduce the amount available for others.
Norway	European country that is not in the European Union but is in EFTA. Its currency is the krone of 100 ore. The UK has a double taxation convention of 2013.

non-savings, non dividend (NSND)

Category of income. Such income remains subject to UK rates of income tax when Scottish rate of income tax is introduced from April 2016.

non sequitur

Latin: it does not follow.

The term commonly refers to a statement that does not logically follow a previous statement.

non-smoking material (NSM)

Material developed to imitate smoking tobacco but without nicotine and other harmful materials. It was still subject to **tobacco duty**. NSM products were manufactured in June 1977, but the imposition of duty meant that they did not achieve their purpose. They were withdrawn from sale a few months later and all stocks incinerated.

non solent quae abundant vitiare scripturas

Latin: surpluses do not vitiate writings.

non-standard accessory

In the context of company cars for tax purposes, any accessory which is not a **standard accessory** (Income Tax (Earnings And Pensions) Act 2003 s125(4)).

non-statutory accounts

In company law, a balance sheet and profit and loss account for a financial year which is other than as required as part of the statutory accounts (Companies Act 2006 s435(3)).

non-sterling bank account

Term sometimes used for a **foreign currency bank account**.

non-synthetic methanol

"Means methyl alcohol of non-synthetic origin" (Hydrocarbon Oil Duties Act 1979 s23C(5)(e)).

non-tariff barrier (NTB)

Any barrier to international trade other than Customs duty or an outright ban. Examples include excessive documentation, excessive compliance with health and safety regulations and requirements to pay in an expensive currency.

non-taxable consideration

In relation to the sale of occupation income, this term has a specific meaning in Income Tax Act 2007 s798.

non-taxable person

For VAT, person who is not registered. Such a person may be an individual, an unregistered business, a charity or a public body. Supplies to such a person in another EU member state must bear VAT as if the person was UK-resident.

non-taxpayer

In investment, person whose total income is below the personal allowance for income tax. At various times there have been different provisions for payment of interest to non-taxpayers.

A non-taxpayer should not donate funds to charity under **Gift Aid**.

non-tax value

Term used for the disregard of avoidance schemes in determining the corporation tax payable by banks. The term is defined in Corporation Tax Act 2010 s269CK(7).

non-tax value condition	<p>For controlled foreign companies from 2012, the value of a project which is not derived from saving tax.</p> <p>This is one of the three conditions that must be met for a controlled foreign company's profits from a foreign subsidiary to come within the scope of UK tax.</p>
non-trade business	<p>Business activity that is not within the scope of a trade.</p> <p>The term is specifically used in Income Tax (Trading And Other Income) Act 2005 s609 in relation to exploitation of film rights.</p>
non-trade creditor	<p>Creditor who is owed money other than as a trade supplier. Examples include the tax authorities and holders of preference shares.</p>
non-traded company	<p>"Is a company none of whose shares were, at any time during the confirmation period concerned, shares admitted to trading on a relevant market or on any other market which is outside the United Kingdom" (Companies Act 2006 s853F(2)).</p>
non-trading deficit	<p>Corporation tax provisions are given in Corporation Tax Act 2009 from s456.</p>
non-trading income	<p>Interest paid by a company on loans that do not fund the business. Such interest is not tax-deductible under the loan relationship rules of Corporation Tax Act 2009 Part 5.</p>
non-trading partnership	<p>Partnership formed for a person other than to trade. Examples include partnerships formed to hold property or make investments.</p>
non-trading profits	<p>For loan relationship, the term is defined in Corporation Tax Act 2009 s290.</p>
non-trading receipts	<p>Income of a business other than from its trading activities. Such income can include sale of assets, issue of shares, loans and compensation.</p> <p>For tax purposes, such receipts are excluded from trading income, though they may be taxed under other provisions.</p>
non-transferable cheque	<p>Cheque which cannot be indorsed to another payee. This is achieved by writing 'account payee only' or 'a/c payee only' on the face of the cheque (Bills of Exchange Act 1882 s81A).</p>
non-UCITS retail scheme	<p>For child trust funds, this term is defined in Child Trust Funds Regulations SI 2004 No 1450 reg 2(1)(b).</p>
non-UK profits	<p>Term used in Corporation Tax Act 2010 s108 in relation to restrictions on loss relief.</p>
non-UK registered scheme	<p>In relation to the overseas transfer charge for pensions, "means a registered pension scheme established in a country or territory outside the United Kingdom" (Finance Act 2004 s242A as inserted by Finance Act 2017 Sch 4 para 14).</p>

non-UK resident	“Means a person who is not resident in the United Kingdom” (Taxation of Capital Gains Act 1992 s271D(1) and s271J(1)).
non-UK tax	In relation to corporation tax and group relief, “means a tax chargeable under the law of a territory outside the United Kingdom which — (a) is charged on income and corresponds to United Kingdom income tax, or (b) is charged on income or chargeable gains or both and corresponds to United Kingdom corporation tax” (Corporation Tax Act 2010 s187).
non videntur qui errant consentire	Latin: those who are mistaken are not deemed to consent.
non videtur consensum retinuisse si quis ex praescripto minanatis aliquid ammutavit	Latin: he is not deemed to have consented who has altered anything at the command of anyone using threats.
non-voting share	Ordinary share but where the shareholder is not allowed to vote.
no offset principle	Name often given to the fifth accounting concept introduced by Financial Reporting Standard FRS 18, namely that assets and liabilities must be shown separately in the accounts and not be netted off.
no par value (NPV)	Description of shares that have no nominal value.
no possibilities test	Requirement that a company may only obtain tax relief for losses of an overseas subsidiary against profits from UK trade when there is no possibility of tax relief being claimed overseas. In 2005, the European Court of Justice decided that such a claim could be made in the long-running <i>Marks and Spencer plc</i> litigation. The law was amended in 2006 to reflect this ruling, but the European court has ruled that this amendment is too restrictive. The Supreme Court has ruled that this test is to be applied at the end of the accounting period in which the loss arose (<i>HMRC v Marks and Spencer plc [2013] UKSC 30</i>). The Court issued a press release giving its explanations on 22 May 2013.
no pre-arranged exists requirement	Requirement under Income Tax Act 2007 s177 that EIS relief against income tax depends on the investor not having pre-arranged an exit, or for the disposal of his shares at the time of acquiring them.
no prize machine	Gaming machine which provides no opportunity to win a prize (Gambling Act 2005 s248).
NOR	Not ordinarily resident.
normal and necessary	Term used in VAT notice 700 in relation to packaging . Normal and necessary packaging is regarded as part of the packaged

product.

- normal car** For income tax on employment income, the car normally provided to an employee, as against a **replacement car** (Income Tax (Earnings And Pensions) Act 2003 s145(1)).
- normal commercial loan** For corporation tax, this term is used in relation to the taxation of distributions. It is defined in Corporation Tax Act 2010 s162. Such a loan must be for **new consideration** and must meet four conditions.
- normal commercial practice** The usual way a business conducts its trading activities.
Where a taxpayer comes within the scope of an **anti-avoidance** provision but can demonstrate that this is because of his normal commercial practice, the taxpayer may escape the anti-avoidance provisions. An example relates to generous invoicing provisions in the **anti-forestalling** regulations when the rate of VAT was increase.
- normal day-to-day activities** Those activities which a person normally does every day in *his or her* life. An inability to do them may count as a disability under the Disability Discrimination Act 2005.
It should be noted that this is a subjective test relating to the person's life. A test case was *Paterson v Commissioner of Police of the Metropolis [2007]* where a senior dyslexic officer was discriminated against.
- normal distribution** In statistics, a graph representing normal frequency distribution. It is shaped like a bell.
- normal employee costs** Expenses normally paid to an employee, such as remuneration, sick pay, holiday pay and redundancy pay.
Such expenses are tax deductible even when paid in circumstances that would otherwise make them non-deductible, such as on cessation of business. This matter is discussed in the Inspectors' Manual at BIM38315.
- normal employment period** In relation to statutory parental bereavement pay "is the requirement that any period of paid parental bereavement leave is to be treated as if it were a period throughout which the member in question works normally and receives the remuneration likely to be paid for doing so" (Social Security Act 1989 s5D(4) as inserted by Parental Bereavement (Leave and Pay) Act 2018 Sch para 7).
- normal expenditure out of income** For inheritance tax, such expenditure is excluded when determining tax liability (Inheritance Tax Act 1984 s21). So if a father provides an allowance for a child at university, that is not regarded as a taxable gift should the father die within seven years.
- normal home** "Where you usually live. For Customs purposes, that is where you spend at least 185 days in a period of 12 months, because of your work and personal connections. But if:
- you have no work connections; or

- your work and personal connections are in different countries, then your normal home is where your personal connections are.

“However, if you are a UK citizen working outside the EC, ‘normal home’ can mean where you are working, even if your personal connections are in the UK. You must have live, or have lived there, for at least 185 days in a 12 month period” (Customs notice 3).

The note adds that normal home is “not necessarily the country in which you were born or hold citizenship”.

normal level of activity	In management accounting, the inputs and outputs expected within an organisation in its normal functions under normal conditions.
normal loss	Loss which one expects to make in an activity, such as material wasted in manufacture.
normally resident	For tax, where at least 185 days has been spent in the last twelve months for work and personal connections. If there are no work connections, or work and personal connections are in different countries, then this is usually considered to be resident in the country where the personal connections are.
normal market size (NMS)	In investment, the maximum size to which a bid price or offer price relates in a trade of securities. An investor may not be able to buy a greater amount of securities at the same price. The NMS may normally be bought or sold without moving the market.
normal minimum pension age	This is age 50 for the period before 6 April 2010; and age 55 on or after 6 April 2010.
normal pension age (NPA)	Age at which a person may be expected to draw a pension.
normal rate	For import duty , the term “means the rate that, at the time of the declaration or breach (as the case may be), would be applicable if section 19(4) were ignored” (Taxation (Cross-border Trade) Act 2018 s4(7)).
normal remuneration	Amount an employee normally receives for working, including employers’ national insurance and any pension contributions.
normal rent	“That amount is the amount that L [the lessor] would, apart from this Part, bring into account as rent from the lease that arises to L in that period of account for the purpose of determining L’s liability to income tax for the related tax year or years” (Income Tax Act 2007 s614AA(2)). A similar definition appears in Corporation Tax Act 2009 s896.
normal rental excess	For finance leases, this term is defined in Income Tax Act 2007 s614BJ(1). In relation to anti-avoidance provisions about leases, the term is defined in Corporation Tax Act 2009 s909(1).
normal retirement age (NRA)	The age at which an employee holding a particular position normally retires from service. The term is used in VAT notice 701/1 in relation to staff loaned from one

charity to another. Provided the other charity pays no more than the employee's normal remuneration, there is no business supply of staff.

- normal retirement date (NRD)** The normal date of retirement applicable to a member of an occupational pension scheme and specified in the rules of the scheme.
- normal rules** Term used in VAT leaflets meaning that the usual rules of VAT apply in one area of a situation where particular rules apply elsewhere. For example, VAT notice 725 gives the particular rules that apply for exported and removed goods but notes that the normal rules apply for reclaiming input tax.
- normal selling price** In relation to VAT on **investment gold coins**, the price that may be commanded for a particular coin (VAT notice 701/12A).
Provided that coins of that kind are sold for no more than 180% of their gold value, a specific coin may still be regarded as an investment coin even if sold for more because of a special factor for a particular coin, such as being from a rare year.
- normal Sunday working hours** The hours that a shop worker has agreed to work on a Sunday (Employment Rights Act 1996 s41A(3) as inserted by Enterprise Act 2016 Sch 5 para 3).
- normal writing-down allowance** Term used in Capital Allowances Act 2001 s126 to mean the writing down allowance that applies when there are no restrictions on the rate because of overseas leasing.
- normal yield curve** In investment, a curve on a graph showing the usual relationship that returns on longer-dated bonds are higher than short-term bonds. The opposite is called an inverted yield curve.
- normative economics** Branch of economics that incorporates value judgments about what an economy should be like.
- normative need** Term that defines social need according to a formula, such as used in Housing Act 1957 to define housing need.
- north** Colloquialism for higher, so a figure that "goes north" is one that increases.
- North Atlantic Treaty Organisation (NATO)** Political defence alliance better known by its initials.
- Northcote, Stafford** English Conservative politician (1818-1887) who was Chancellor of the Exchequer from 21 February 1874 to 21 April 1880.
- Northern Ireland** One of the four countries of the United Kingdom. It comprises six counties on the north of the Ireland. It has been a distinct part of the UK since 3 May 1921 under Government of Ireland Act 1920.
Various attempts to establish a measure of independent government failed until the **Northern Ireland Executive** and **Northern Ireland Assembly** were established in 1998.

Northern Ireland is generally governed by its own laws which tend to mirror the law in England and Wales. Tax rates are the same as for the UK. Various tax provisions give Northern Ireland tax advantages.

Northern Ireland has been given the right to levy a different rate of corporation tax under Corporation Tax (Northern Ireland) Act 2015. In the Autumn Statement 2015, it was announced that the rate will be 12.5%.

VAT is refunded to Northern Ireland under Value Added Tax 1994 s99.

As the only part of the UK that adjoins another state, there are special customs procedure for the movement of goods by land to and from the Irish Republic, as set out in Customs and Excise Management Act 1979 s26 and 68B.

Northern Ireland additional deduction

In relation to film tax relief for corporation tax in Northern Ireland, this term is defined in Corporation Tax Act 2010 s357RA.

For television tax relief, the term is defined in Corporation Tax Act 2010 s357SA.

For video games tax relief, the term is defined in Corporation Tax Act 2010 s357TA.

For theatrical productions, the term is defined in Corporation Tax Act 2010 s357UA.

Northern Ireland apprenticeships

“Means apprenticeships undertaken under arrangements made under section 1 of the Employment and Training Act (Northern Ireland) 1950 that are identified by the person making them as arrangements for the provision of apprenticeships”

(Apprenticeships, Skills, Children and Learning Act 2009 s40B(3) as inserted by Enterprise Act 2016 s26).

Northern Ireland Assembly

Devolved legislature of **Northern Ireland**. It was formed in 1998, but its powers were subsequently suspended several times.

The Assembly appoints the **Northern Ireland Executive**. It has 108 members known as **Members of the Legislative Assembly (MLAs)**.

Northern Ireland authority

In relation to apprenticeships, “means —

(a) a Northern Ireland department, and

(b) any body or other person that is prescribed, or of a prescribed

description”

(Apprenticeships, Skills, Children and Learning Act 2009 s40B(3) as inserted by Enterprise Act 2016 s26).

Northern Ireland banknotes

Notes issued by banks in Northern Ireland and which circulate as currency.

Such notes were subject to stamp duty until 1 January 1992.

Northern Ireland Chapter 2 surrenderable loss

This term is defined in Corporation Tax Act 2010 s357PC(2).

Northern Ireland charity

Term used in Charities Act 2011 s104.

Northern Ireland company In relation to corporation tax, this term is defined in Corporation Tax Act 2010 s357KA.

Northern Ireland Contributions and Benefits Act

“Means Social Security Contributions and Benefits (Northern Ireland) Act 1992” (Social Security Administration Act 1992 s176(5)).

Northern Ireland Department In relation to co-operation with HMRC and the Department of Work and Pensions in social security fraud, “means any of the following —
(a) the Department for Social Development;
(b) the Department of Finance and Personnel;
(c) the Department for Employment and Learning.”
(Welfare Reform Act 2012 s127(7)).

Northern Ireland element In relation to corporation tax, this term is defined in Corporation Tax Act 2010 s357OP.

Northern Ireland employer In relation to corporation tax, this term is defined in Corporation Tax Act 2010 s357KD.

Northern Ireland Executive The executive part of the **Northern Ireland Assembly**, established under Northern Ireland Act 1998. It comprises a **First Minister** and other departmental ministers.

Northern Ireland expenditure In relation to corporation tax relief for research and development “means expenditure incurred in a trade to the extent that the expenditure forms part of the Northern Ireland profits or Northern Ireland losses of the trade”
(Corporation Tax Act 2010 s357P(2)(a)).

Northern Ireland firm In relation to corporation tax, the term is defined in Corporation Tax Act 2010 s357WA.
For capital allowances, the term is defined in Capital Allowances Act 2001 s6B.

Northern Ireland friendly society

“Means a friendly society, not being a collecting society, which is registered in Northern Ireland for purposes corresponding to the Friendly Societies Act 1974” (SI 1977 No 1143, as amended).

Northern Ireland intangibles credits

In relation to corporation tax, this term is defined in Corporation Tax Act 2010 s357OP.

Northern Ireland intangibles debits

In relation to corporation tax, this term is defined in Corporation Tax Act 2010 s357OP.

Northern Ireland Judicial Appointments Commission

Body corporate established under Justice (Northern Ireland) Act 2002 s3.

Northern Ireland legislation This comprises:
“(a) Acts of the Parliament of Ireland;
(b) Acts of the Parliament of Northern Ireland;
(c) Orders in Council under section 1(1) of the Northern Ireland (Temporary Provisions) Act 1972;
(d) Measures of the Northern Ireland Assembly established under section 1 of the Northern Ireland Assembly Act 1973;
(e) Orders in Council under Schedule 1 to the Northern Ireland Act 1974;
(f) Acts of the Northern Ireland Assembly; and
(g) Orders in Council under section 85 of the Northern Ireland Act 1998”.
(Interpretation Act 1978 s24(5)).

Northern Ireland long haul rates of duty

Rates of air passenger duty from Northern Ireland, as set out in Finance Act 1994 s30A.

Northern Ireland qualifying Chapter 7 expenditure

This term is defined in Corporation Tax Act 2010 s357P(2)(e).

Northern Ireland qualifying land remediation loss

This term is defined in Corporation Tax Act 2010 s357QB(3)(a).

Northern Ireland regional establishment (NIRE)

For the purposes of corporation tax, this term is defined in Corporation Tax Act 2010 from s357L.

Northern Ireland SME company

For the purposes of capital allowance in Northern Ireland, this term is defined in Capital Allowances Act 2001 s6A.

Northern Ireland supplementary deduction

In relation to film tax relief in Northern Ireland, this term is defined in Corporation Tax Act 2010 s357RC.

For television tax relief, the term is defined in Corporation Tax Act 2010 s357SA.

For video games tax relief, the term is defined in Corporation Tax Act 2010 s357TB.

For theatrical productions, the term is defined in Corporation Tax Act 2010 s357UB.

Northern Ireland union

“Trade union whose principal office is situated in Northern Ireland” (Trade Union and Labour Relations (Consolidation) Act 1992 s120).

Northern Ireland workforce conditions

In relation to corporation tax, these are defined in Corporation Tax Act 2010 s357KE.

Northern Rock

British bank that failed in 2007, having converted from a building society in 1997. It led to the first run on a British bank for more than 150 years. It was bailed out by the government. The tax consequences are set out in SI 2009 No

3227.

Norway	European country. The UK has a tax treaty with Norway. This was amended by an enforcement order SI 2013 No 3144.
noscitur a sociis	Latin: the meaning of a word can be gathered from the context.
nose tax	Tax imposed by the Danes in 9 th century Ireland. Those who did not pay could have their noses slit.
no smoke without fire	Idiom meaning that there must be some truth in any scandal or rumour. The expression is as untrue metaphorically as it is literally.
nostro account	In banking, account one bank holds with a bank in a foreign country, usually in the currency of that foreign country.
notaphily	Collection or study of bank notes.
no tax avoidance requirement	Requirement that entitlement to a tax relief depends on there being a genuine commercial reason other than tax avoidance. This requirement is set out in Income Tax Act 2007 s165 for EIS relief .
notary	Person who is authorised to certify deeds.
notary public	Lawyer who has authority to witness documents and spoken statements, usually for a fee. Most solicitors are notaries public.
notch	Term used in the Pakistani income tax system and other tax systems where tax is charged at increasing rates on the whole income (known as the slab basis) rather than on succeeding slices of income as in the UK and most income tax systems in the world. The Pakistani tax system eliminated these notches in 2015. This leads to bunching below the notch and a hole above it. A simple (made up) example illustrates the point. Suppose all income up to £20,000 is taxed at 10% and all income above is taxed at 15%. Someone earning £20,000 pays £2,000 tax and keeps £18,000. If they receive a pay rise to £21,000, they pay £3,150 tax and keep £17,850. In this example the person's pay has to rise to £21,176 before the additional pay compensates for the additional tax. The notch formula is: $P = T(H - L)/(1 - H)$ where P is the additional pay above the threshold needed to compensate for the higher rate of tax, T is the threshold, L is the rate of tax below the threshold, and H is the rate of tax above the threshold. Rates of tax must be expressed as a decimal. Research suggested that the slab system reduced wages in Pakistan by between 10% and 15% as workers refused pay increases.
note	(1) Bank note, or document which conveys information. (2) Narrative comment which is cross-referenced to a figure in the accounts.

(3) In investment, a short-dated debt instrument whereby the issuer promises repayment by a specified date.

note a bill

Record a refusal to accept a **bill of exchange**.

notebook

Bound book for keeping notes and other miscellaneous writings.

note issuance facility

Credit facility where a company gets a loan underwritten by a bank against which the company may issue a series a short-term notes to replace those which have expired. Such notes are usually in euros.

note of hand

Document which states that someone promises to repay a sum of money by a stated date.

notes (to financial statements)

“Notes contain information in addition to that presented in the statement of financial position, statement of comprehensive income, income statement (if presented), combined statement of income and retained earnings (if presented), statement of changes in equity and statements of cash flows. Notes provide narrative descriptions or disaggregations of items presented in those statements and information about items that do not qualify for recognition in those statements” (FRS 102 glossary).

See also **notes to the accounts**.

notes to the accounts

Information in financial statements that gives more detail about items in the **financial statements**. FRS 102 refers to them as **notes to the financial statements**.

Accounts, particularly balance sheet and profit and loss account, have numbers against them that cross-reference the figure to more explanation, sometimes in the form of further accounting information.

Such notes form part of the accounts, and may contain any of the statutory information required under company law (Companies Act 2006 s472).

See also **notes (to financial statements)**.

notes to the financial statements

Additional information provided to the financial statements in the accounts of an entity. The accounting provisions are given in FRS 102 Chapter 8.

The main items to be included in the notes are:

- information on how figures in the accounts have been determined (para 8.2(a))
- additional information when specifically required by an accounting standard (para 8.2(b))
- information that does not appear in the accounts but which is relevant to understanding the entity's financial position (para 8.2(c))
- disclosure of accounting policies (para 8.5)
- information about judgments used, such as where amounts have been estimated (para 8.6)
- assumptions about the future that affect figures in the accounts (para 8.7).

The notes must be presented “in a systematic manner” (para 8.3) and in this order:

- a statement that the accounts have been prepared in accordance with FRS 102 (if they have been),
 - a summary of significant accounting policies,
 - supporting information for items in the financial statements,
 - any other disclosures
- (FRS 102 section 8.4).

not for profit body

“A body which, by or by virtue of its constitution or any enactment:

(a) is required (after payment of outgoings) to apply the whole of its income, and any capital which it expends, for charitable or public purposes, and

(b) is prohibited from directly or indirectly distributing amongst its members any part of its assets (otherwise than for charitable or public purposes)” (Legal Services Act 2007 s207(1)).

not guilty by insanity

Verdict that may be given under the unrepealed Trial of Lunatics Act 1883 s2.

nothing-gift

Old term for a gift of no value.

nothing to declare

Old term for the Customs procedure when someone arrives with no goods that are prohibited, restricted or subject to duty. The procedure is now replaced by the **green channel** for travellers from outside the EU, and **blue channel** for travellers from within the EU.

notice

(1) Announcement, warning, information or similar. This may be displayed or conveyed in other means, such as a letter.

(2) Period given by an employer or employee to the other that the employment is to end.

notice case

In relation to taxation of employment termination payments, “the termination is a ‘notice case’ if the employer or employee gives notice to the other to terminate the employment, and here it does not matter —

(a) whether the notice is more or less than, or the same, as the minimum notice, or

(b) if the employment ends before the notice expires”.

(Income Tax (Earnings and Pensions) Act 2003 s402E(3)).

notice of appeal

Notice issued by one party stating that he intends to appeal against a decision by the other party.

In particular, the term is used when a taxpayer contests a tax assessment or a tax code. The procedure is given in Taxes Management Act 1970 s31A.

The main conditions of such a notice is that it must be in writing and sent within 30 days to the HMRC officer who issued the contested assessment or code.

notice of assessment	Original term for a tax assessment . When PAYE was first introduced in 1943, such a notice was sent after the year-end.
notice of assignment	Another name for an allocation notice .
notice of cancellation or variation	Notice that HMRC may serve on a bank to vary a hold notice previously served that instructs the bank to take funds from a taxpayer (Finance (No 2) Act 2015 Sch 8 para 9).
notice of coding	Notice which informs a person of a code that has been issued. The term often applies to the P2 form from HMRC advising an employee of a tax code.
notice of correction	<p>Document sent to an individual or trust when HMRC has corrected "obvious errors or omissions" in a personal return or trustee's return. The procedure is set out in Taxes Management Act 1970 s9ZB.</p> <p>The notice has the effect of amending the tax return as stated unless the taxpayer sends a notice of rejection within 30 days.</p>
notice of determination	<p>Notice that a matter in dispute has now been determined by an appropriate authority.</p> <p>There are various provisions where such a notice may be issued by HMRC.</p>
notice of dishonest conduct	Under a consultation document produced by HMRC in July 2011, a notice that they would be able to serve on a tax agent who HMRC believes is acting dishonestly.
notice of enquiry	<p>Notice sent by HMRC to a taxpayer saying that it intends to enquire into an aspect of a tax return. The procedure is set out in Taxes Management Act 1970 s9A.</p> <p>A notice of enquiry to a partnership is issued under Taxes Management Act 1970s12AC.</p> <p>There are further provisions in Finance Act 2008 Sch 36 para 21ZA(4).</p> <p>Generally, HMRC has a time limit for such notices. If the tax return was submitted on time, the notice of enquiry must be sent within 12 months after the day the return was delivered.</p>
notice of objection	In relation to HRMC's powers to seize funds from a taxpayer's bank account without needing the authority of any court, a notice given by the taxpayer or other interested party to HMRC objecting to the seizure on one of the permitted grounds (Finance (No 2) Act 2015 Sch 8 para 10).
notice of objection to Sunday working	A notice which a worker in a shop or betting office may serve on his or her employer stating that they will no longer work on a Sunday (Employment Rights Act 1996 s40).

notice of referral	Notice that Revenue Scotland may issue to refer a matter to a tax tribunal during an enquiry (Revenue Scotland and Tax Powers Act 2014 s88).
notice of rejection	Notice sent by an individual or trust to HMRC refusing to accept its notice of correction of an error in a tax return. The notice of rejection must be sent within 30 days. It has the effect of cancelling the notice of correction. This provision is set out in Taxes Management Act 1970 s9ZB(4)-(5).
notice of seizure	Notice from Customs that goods have been seized while you were present. If not present, a seizure information notice is sent.
notice period	Amount of time an employer or employee must give the other to end an employment. This is stated in the contract of employment, though statutory minimum periods of notice are set out in Employment Rights Act 1996 s86.
Notification of Vehicle Arrivals (NOVA)	System introduced from 15 April 2013 for new and used vehicles brought permanently into the UK. The main element is that all such vehicles must be notified to HMRC within 14 days of arrival. Any VAT must be accounted for on the next return. NOVA refers to the on-line system to support this change.
notice period	The length of time an employer or employee must give the other when intending to end an employment. There are statutory minimum notice periods. This is subject to statutory minima set out in Employment Rights Act 1996 s86.
notice requiring information	Document that must be issued by a public company when it believes that someone other than a shareholder has an interest in its shares. The law is given in Companies Act 2006 ss791-802.
notice to quit	Notice served by a landlord on a tenant requiring the latter to vacate land or premises. There are strict rules on when such a notice is valid.
notifiable contribution arrangements	Arrangements designed "to enable... any person to obtain an advantage in relation to a [national insurance] contribution" (Social Security Administration Act 1992 s132A(3)). Such arrangements must be disclosed to HMRC under SI 2007 No 785 as amended.
notifiable contribution proposal	A proposal to make notifiable contribution arrangements . (Social Security Administration Act 1992 s132A(3)).
notification obligation	Duty to notify HMRC of a matter relating to VAT where non-compliance leads to a penalty under Value Added Tax 1994 s77(4C).

notification of senior accounting officer details

“Formal provision of SAO details to HMRC by a qualifying company” (Inspector’s Manual at SAOG 24000). Details of the provision are given at SAOG 13000.

notified sum

Amount that a bank has taken from a taxpayer’s bank account and passed to HMRC under a **hold notice**. The bank is obliged to notify the customer of the amount. (Finance (No 2) Act 2015 Sch 8 para 7(8)).

noting or protesting a bill

Process which may be followed if a bill of exchange is not honoured (Bills of Exchange Act 1882 s51).

A bill may be protested for non-acceptance and subsequently protested for non-payment. Any protesting must be done on the day of non-acceptance or the following business day.

notional

Description of something which is probable but not quantifiable.

notional accounting period

For mineral extraction, this is given a specific meaning in Capital Allowances Act 2001 s416ZB.

notional allowances

In relation to mineral extraction, this term is explained in Capital Allowances Act 2001 s431C.

notional amount

“The quantity of currency units, shares, bushels, pounds or other units specified in a financial instrument contract” (FRS 102 glossary).

notional banking surcharge profits

In relation to corporation tax surcharge on banks, this term is defined in Finance Act 2015 s79(5).

notional benefit

The benefit a person is deemed to enjoy, such as the benefit of an employee who has a **company car**.

In tax, the term usually refers to a method to approximate a benefit that cannot otherwise be readily quantified.

notional earnings cap

Amount the pensions earnings cap would have been if the **pensions cap** were still law. The pensions cap was abolished as part of the pensions reform of 2006. Pension schemes were given a five-year transitional period to change to the new system. The notional cap was produced to assist in the changeover. The last published figure was £123,600 for 2010/11.

notional income

Benefit which can be recognised but not easily expressed as an amount of money.

For discretionary trusts, notional income can include premiums treated as rent, profits on sale of certificates of deposit, and gains from disposals of offshore funds.

notional land transaction

Concept used in connection with **pre-completion transactions** and SDLT. The concept is set out in Finance Act 2013 Sch 39 para 5.

notional loan	Term used in relation to the taxation of certain employment-related securities (Income Tax (Earnings And Pensions) Act 2003 s446S).
notional PAYE amount	Term used in relation to disguised remuneration (Income Tax (Earnings And Pensions) Act 2003 s554H(9)).
notional payment	<p>For national insurance, payment that an employee is treated as having made when earnings exceed the lower earnings limit but where no national insurance has actually been paid because the earnings threshold has not been reached (Social Security Contributions and Benefits Act 1992 s6A).</p> <p>For income tax on earnings, the term means a sum regarded as pay though not provided directly by the employer (Income Tax (Earnings And Pensions) Act 2003 s222).</p> <p>The PAYE provisions are given in PAYE regulations SI 2003 No 2682 from reg 62.</p>
notional PE profits	Term used in relation to diverted profits tax and defined in Finance Act 2015 s88(5).The definition is amended by Finance Act 2016 s43(3).
notional price	<p>Term used to determine the value of a company car when there is no readily available list price. The procedure is broadly to use the list price of an equivalent car. (Income Tax (Earnings And Pensions) Act 2003 s124(1)).</p> <p>In relation to priority share allocations to employees, the term is defined in Income Tax (Earnings And Pensions) Act 2003 s545(5).</p>
notional rent	Sum which an organisation may set aside in its internal accounting when it occupies premises it owns to represent the "rent" it pays itself.
notional relief	In relation to an anti-avoidance provision on R&D credits, this term is defined in Corporation Tax Act 2009 s1118. This definition is amended by Finance Act 2016 s48(3).
notional remitted amount	In relation to the remittance basis, this term is given a specific meaning in Income Tax Act 2007 s809Z5.
notional replacement cost	Method of stock valuation that is generally not accepted for tax purposes (<i>BSC Footwear Ltd v Ridgeway [1971] 47TC495</i>). The matter is discussed in the Inspectors' Manual at BIM33125.
notional value	Amount for which a business may claim a capital allowance for plant and machinery it has produced itself (Capital Allowances Act 2001 s13(2)). The value is the market value of buying an equivalent asset.
notitia	Roll list or register.
not negotiable	Description of a bill of exchange or other financial instrument which may be transferred to another person but only on the basis that the recipient has no greater title than the signatory (Bills of Exchange Act 1882 s8).

notorious	Widely known. In law, the term indicates something that is neither good or bad, whereas in general parlance it usually means something bad.
notour	Scottish legal term meaning notorious .
not proven	In Scots law, a verdict that case has been neither proved nor disproved.
nougat wafer	Two wafer biscuits with a sandwich filling of albumen, glucose and sugar, and lightly coated with a powder of sugar and skimmed milk powder. The VAT tribunal held that they were zero-rated as food, as they were baked (<i>Boni Faccenda Ltd [1978] VATTR 155</i>).
nought	Zero, the figure 0.
noughties	Years from 2000 to 2009. The term has not gained much currency.
nourice-fee	Old term for a fee paid to a nurse.
nous avons 79imila tout cela	French: we have changed all that. A rejoinder to someone who repeatedly explains an old law.
Nouveau Marche	Junior stock exchange in France.
nouveau riche	Perjorative term for someone who has recently acquired wealth but not the manners that go with it.
Nov	November.
NOVA	Notification of Vehicle Arrivals.
nova 79constituo futuris forman impersonere debet, non praeteritis	Latin: a new law should regulate what is to follow, not the past.
novalia	In Scots law, waste land that has been newly reclaimed.
novation	Agreement by which the two parties to a contract agree that one of them shall be replaced by a new party. So a novation would allow A and B both to agree that a contract between them may become a contract between A and C. For leases, there are some tax provisions set out in Capital Allowances Act 2001 s70W.
novelist	An artist, sculptor, novelist, author, composer or other creator of art may average profits over three years under certain conditions (Income Tax (Trading And Other Income) Act 2005s221).
November	Eleventh month of the calendar year and eighth month of the financial year. It has 30 days.

novenary	Pertaining to the number nine.
novennial	Occuring once every nine years.
novercal	Relating to a stepmother.
novice	Person who is new to an activity, particularly where the person intends to make a career from that activity. A company may sponsor a novice sportsman or performer. The extent to which this is tax-deductible is discussed in the Inspectors' Manual at BIM 42565. In particular, the fact that the sponsored person is a novice does not itself disallow a tax deduction.
novocentenary	Nine hundredth anniversary.
novodamus	In Scots law, a charter or similar document giving certain rights.
novus actus interveniens	Latin: a new act intervening. This describes the general legal rule that a chain of causation from A to B is broken at the point that C does something.
NOW account	American term for an interest-bearing account with a bank where the customer may issue cheque-like documents known as negotiable orders of withdrawal .
NP	Texting abbreviation: no problem.
N P	Nisi prius.
NPA	Normal pension age.
NPG	Natural Petroleum Gas
NPIA	National Policing Improvement Agency.
NPO	Non-profit organisation.
NPR	(1) Number of pieces received. (2) ISO code for Nepalese rupee.
NPS	National Probation Service.
NPV	(1) Net present value. (2) No par value.
NPVRI	Net present value of rental payment. The abbreviation is used in Capital Allowances Act 2001 s228L(1).
NPX	Number of pieces expected.

NR	Term used in the formula for calculating the ring fence amount for the oil industry. The formula is given in Corporation Tax Act 2010 s279D.
NRA	(1) Normal retirement age. (2) National Roads Authority, Irish body.
NRB	Nil rate band of inheritance tax.
NRB trust	Any trust established not to waste a person's nil rate band for inheritance tax. Since October 2007, the need has reduced because of the right to transfer the nil rate band between spouses.
NRBW	National Resources Body for Wales.
NRCGT	(1) Nil return for capital gains tax. The term is used in Finance Act 2008 sch 36 para 21ZA. (2) Non-resident capital gains tax.
NRD	(1) Normal retirement date. (2) Non-financial Reporting Directive.
NRE	Net relevant earnings.
NRT	Net register tonnage , of ships.
NRV	(1) Net realisable value (2) Net residual value
NSB	National Savings Bank
NSC	National Savings certificate
NS&I	National Savings and Investments.
NSM	Non-smoking material.
NSND	Non-savings, non dividend. This is the class of income that is excluded from Scottish rate of income tax.
NSPCC	National Society for the Protection of Cruelty to Children.
NSR	National insurance contributions settlement return.
NSWLR	New South Wales Law Reports, published from 1880 to 1900, and from 1971.
NSWR	New South Wales Reports, Australian law reports published from 1960 to 1970.
NT	Tax code used in the PAYE system for taxing employees. The letters stand for No Tax, which means that no tax is deducted.

This code usually applies when the person is exempt from tax, such as having diplomatic immunity, or when another arrangement is in place to collect the tax.

NT\$	Abbreviation: New Taiwan dollar, currency of Taiwan.
NTBs	Non-tariff barriers.
NTC	National Tax Credits.
nth term	The number of a term as algebraically represented by n .
NTI	Net taxable income.
NTO	National Training Organisation.
NTPI	Net taxable pension income.
NTSI	Net taxable specific income.
Nu	Abbreviation: ngultrum, currency of Bhutan.
nu	Thirteenth letter of Greek alphabet, indicated as N or v. It was also used to indicate the number 50.
nuclear site	Such a site does not come within the scope of contaminated land. It is therefore excluded from the scope of tax relief for contaminated land under Corporation Tax Act 2009 s1145B.
nude contract	A contract where there is no consideration . Unless the contract was made under seal, a nude contract cannot be enforced.
nudge letter	Letter, particularly from HMRC, asking taxpayers to check their tax without stating what needs checking.
nudge principle	Principle that behaviour can be changed by influence rather than legislation. The Office of Tax Simplification use this term in their Notice of 18 June 2015 when they recommend that education and information can often achieve an objective better than changing tax law.
nudity	In employment law, the display of nude images, usually of young women, can amount to sexual harassment. What may have been accepted, or ignored, in previous decades may not be acceptable now. Facebook has produced a detailed definition of what it considers acceptable. In law, nudity itself is not an offence, even in public, unless it causes harassment, alarm or distress to another person. Possible offences include: <ul style="list-style-type: none">• indecent exposure under Sexual Offences Act 2003 s66• harassment, alarm or distress under Public Order Act 1986 s5• outraging public decency, under common law.

Publishing a nude picture of someone against their will, often a former girlfriend, is the offence of revenge porn.

nudum pactum

Latin: **nude contract.**

nugae

Latin: trifles.

nugget

Lump, usually small and of a precious metal such as gold. By extension, it refers to anything that is small but valuable, such as a piece of information.

nuisance

An inconvenience caused by one person that materially interferes with ordinary living of others.

Private nuisance is a **tort** that may be actioned in the civil courts.

Public nuisance may be prosecuted in the criminal courts.

null

Having no legal force.

nulla bona

Latin: no goods. This is the return made by a sheriff to seize goods when he cannot find any.

null and void

Having no further legal effect.

nulla pactione effici potest ut dolus praestetur

Latin: by no contract can it be arranged that a man shall be indemnified against responsibility for his own fraud.

nulla poena sine lego

Latin: no punishment except in accordance with the law.

nullity

Something that is invalid.

For marriage, it means one which is void or voidable at the time of marriage, such as when one of the parties were under 16, or they were closely related.

nullius filius

Latin: no-one's child. An **illegitimate** child.

nullum crimen nulla poena sine lege

Latin: there is no crime nor punishment except in accordance with law.

nullum simile est idem

Latin: a thing which is similar to another thing is not the same as the other thing.

nullum tempus aut locus occurrit regi

Latin: time never runs against the Crown.

This principle has been modified by Crown Proceedings Act 1947.

nullus videtur dolo facere qui suo jure utitur

Latin: a malicious or improper motive cannot make wrongful in law an act which would be right apart from such motive.

nul tiel record	Latin: no such record.
number	Representing of a quantity or amount, or the order in which items rank.
numbercard	<p>Plastic card the size of a credit card which notifies a person of a number, particularly the national insurance number which is notified on such a card to individuals when they are 15 years and 9 months old.</p> <p>Such cards ceased to be issued in the summer of 2011 when they were replaced by a letter.</p>
numbered account	Bank account which is identified only by a number, the identity of the customer is withheld. Such accounts are common in Switzerland.
number one	Colloquialism for the most important person.
number of employees requirement	<p>Condition which must be satisfied by a company for investment in it to qualify for EIS relief. The requirement is basically that the company must not have more than 250 employees (50 before 6 April 2012) (Income Tax Act 2007 s186A). The same provision applies to VCT relief (Income Tax Act 2007 s297A).</p> <p>The number is increased to 500 employees for knowledge-intensive company from 1 April 2016.</p>
number plate	<p><i>General</i></p> <p>Combination of letters and numbers which indicate a specific motor vehicle. Non-motorised vehicles, such as bicycles and horse carts, do not have number plates. The legal term is registration mark. The number plate must meet certain conditions regarding size and colour.</p> <p>For cars registered from 1 January 1973., the front number plate has black letters on a white reflective background and the rear number plate has black letters on a yellow reflective background. Cars previously registered typically have silver letters on a black background. Such cars may switch to the post-1973 system.</p> <p>It is an offence not to display a number plate, to display a false number plate, or to move characters from their proper position.</p> <p>Motorcycles and motor tricycles registered from 1 September 2001 may display a number plate only at the back. Previously registered vehicles may also display a number plate at the front.</p> <p>A trailer being towed must display the number plate of the vehicle towing it.</p> <p>There are laws on the size and style of the characters on the number plate. Number plates may now only be made by a registered number plate supplier who requires evidence from customers.</p> <p>There are provisions to change a number plate. This is widely used for cherished number plates, such as where the letters spell the owner's initials. Such a number may also be kept on a retention certificate. A number plate may not be changed to indicate that a car has a <i>later</i> registration. The DVLA sells personalised number plates. A cherished number plate is regarded as an accessory for a company car, which increases the taxable list price on which</p>

the employee may be taxed.

History and conventions

Number plates were introduced in the UK for cars registered from 1 January 1904. The first plates comprised one or two letters followed by between one and four digits in the form A1 to YY9999.

From 1930 to 1963, most number plates comprised three letters followed by up to three digits in the form AAA 1 to ZZZ 999. The letters I, O, Q and Z were not used to avoid confusion with digits.

From 1963 to 1983, a letter was added as a suffix in the form ABC 123 A. The suffix letter indicated the year of registration with A denoting 1963, B denoting 1964. In 1967, the suffix E was used for cars registered between January and July, and F was used for cars registered between August 1967 and July 1968. The last suffix was Y for 1982/83.

From August 1983 to July 1998, a single letter prefix was used in the form A 123 BCD. The prefix R denoted the year 1997/98. S denoted September 1998 to February 1999, from which point the letter changed twice a year to Y for March 2001 to September 2001. In 1983, letter Q was introduced to denote a car whose age is not known.

From 1 September 2001, the current system was adopted of two letters, two digits and three letters in the form AB 12 CDE. The first two letters indicates where the car was registered. The middle two letters indicate when the car was registered. If the number is below 50, it indicates the last two digits of the year for a car registered between March and August. If the number is above 50, subtracting 50 indicates the year for a car registered between September and February of the following year. So 68 represents a car registered between September 2018 and March 2019.

numeracy	The state of being numerate .
numéraire	Standard for currency exchange rates.
numerate	Able to perform calculations. Originally the term meant able to read numbers.
numeration	Act of numbering.
numerator	The number at the top or front of a fraction. In the fraction $\frac{3}{4}$ (three-quarters), 3 is the numerator; 4 is the denominator.
numerical control	Control, particularly of a machine, by entering numbers that correspond to operations.
numerus clausus	Latin: closed number. The term refers to restrictions on the number of students who may be admitted to an academic establishment.
numismatism	Collection or study of coins.
nummary	Relating to coins and other means of exchange.

nummular	Coin-shaped.
nunc pro tunc	Latin: now for then.
nuncupative	Description of an oral declaration.
nuncupative will	Will made without writing. Such a will is valid if made by a serving member of the armed forces.
nuptial	Pertaining to marriage.
nuptial agreement	<p>Agreement between the parties to a marriage or civil partnership. The most common form is the prenuptial agreement which sets out how assets will be divided should the marriage fail. A postnuptial agreement is a similar agreement between partners who are already married.</p> <p>The Supreme Court held in <i>Radmacher v Granatino</i> [2010] UKSC 42, that the court should give weight to a nuptial agreement. Subsequent cases have made clear that the agreement must be fair.</p>
nuptias non concubitis sed consensus facit	Latin: it is consent, not cohabitation, which makes a marriage.
NURS	Non-UCITS retail fund. This is a form of authorised investment fund .
nurse	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.
nursing home	<p>This activity is excluded from the tax relief for venture capital trusts by Income Tax Act 2007 s309. For this purpose s309(2) defines a nursing home as “any establishment which exists wholly or mainly for the provision of nursing care:</p> <ul style="list-style-type: none">(a) for person suffering from sickness, injury or infirmity, or(b) for women who are pregnant or have given birth”. <p>Expenses incurred in nursing a taxpayer back to health are generally not tax deductible, according to Inspectors' Manual at BIM37950.</p>
nursing homes and residential care	Activity which excludes a company from the scope of EIS relief . It is defined for this purpose in Income Tax Act 2007 s198.
nursing shawl	This was held not to be a garment, and so did not qualify for VAT zero-rating as children's clothing (<i>W G Jones & Sons</i> [1974] VTD 117).
nuts	<p>These are zero-rated as food “if raw and unprocessed for human consumption” or “roasted or salted nuts in their shells, however supplied bulk or retail” (Value Added Tax 1994 Sch 8 Group 1 Excepted Item 5).</p> <p>The matter is further explained in VAT notice 701/14.</p>
nuzzer	Hindu term for a present to a superior.

NV	Abbreviation: Naamioze Vennootschap, a Dutch company.
NV/100	Figure used in calculation of residence nil rate band for inheritance tax purposes. Details are given in Inheritance Tax Act 1984 s8E(1) as inserted by Finance (No 2) Act 2015 s9.
NVQ	National Vocational Qualification.
NVR	National insurance verification request.
NW	North Western Reporter, US series of law reports.
NWTSG	National Working Together Steering Group. This is a national body, replicated at local level, to allow joint working between HMRC and agents of taxpayers in dealing with tax issues.
NWTT	National Working Together Team , part of HMRC.
NYBOT	New York Board of Trade.
NYD	Not yet diagnosed. Common abbreviation for sick notes (HMRC leaflet E14).
NYMEX	New York Mercantile Exchange.
NYSE	New York Stock Exchange.
NZ\$	Abbreviation: New Zealand dollar.
NZBLC	New Zealand Business Law Cases, law reports published from 1984.
NZCLC	New Zealand Company Law Cases, law reports published from 1981.
NZD	ISO code for New Zealand dollar.
NZLR	New Zealand Law Reports, first published in 1883.

O

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- (1) Tax code used before unified income tax was introduced in 1973. It indicated that tax is in arrear and so must be deducted at the standard rate less earned income relief.
- (2) Order, as used in legal judgments.
- (3) National insurance contribution letter used for ocean-going mariners who pay the reduced rate and are in an occupational pension scheme. This letter is not used from 6 April 2016.
- (4) Old Roman numeral for 11.
- (5) For **CRC Energy Efficiency Scheme**, an operator.
- (6) Operator of a peer-to-peer lending scheme, in Income Tax

Act 2007 2007 s412F as inserted by Finance Act 2016 s32.

O'	Irish patronymic used in a surname to indicate a descendant of.
OA	Osteoarthritis. Common abbreviation for sick notes (HMRC leaflet E14).
oao	On account of.
OAP	Old age pensioner.
OARS	Opening Automated Reporting Service.
oast	Kiln to dry hops or malt, as used in brewing.
OAT	Obligations Assimilables du Tresor.
oath	Declaration in court to tell the truth. It "include[s] affirmation and declaration" (Interpretation Act 1978 Sch 1).
OB	(1) Omzetbelasting , Dutch: value added tax. (2) Prefixes for paragraphs (eg OB1, OB2 etc) in chapter 1 of the Conceptual Framework of International Financial Reporting Standards. The chapter relates to the objective of general purpose financial reporting.
OBA	"Total of the balancing allowances to which the taxpayer is entitled for that period in respect of any pool other than the special pool" (Capital Allowances Act 2001 s104F).
Obamacare	The colloquial name for the US law, the Patient Protection and Affordable Care Act, heavily promoted by President Obama. It was finally signed into law on 23 March 2010 after being fought on the basis that the government was nationalising healthcare. It extended healthcare rights to the one sixth of Americans not otherwise covered. Most of its provisions took effect from 1 January 2014. One of its main provisions is that every individual must secure a health insurance policy. To make this possible, public insurance policies were either introduced or extended, and financial assistance is provided to help the poor pay for premiums.
ob and sol	Abbreviation: objection and solution.
obang	Old Japanese gold coin.
OBD	Office of Budget and Delivery.
obelisk	The printing sign †
obelus	The obelisk sign, or other mark, particularly in old manuscripts to indicate a suspected error.

89imi	Latin: died.
89imi sine prole	Latin: died without issue.
obiter	Obiter dictum.
obiter dicta	Plural of obiter dictum .
obiter dictum	Latin: saying by the way. Observation by a judge on a legal question suggested by a case before him, but not in a manner which requires a decision. Obiter does not therefore set a precedent, but is a guide which may be considered in any future case.
objection notice	In relation to Sunday working in a shop, a notice that an employee may serve on his or her employer objecting to working additional hours on a Sunday. The provisions are given under Employment Rights Act 1996 s41A as inserted by Enterprise Act 2016 Sch 5 para 3).
objective of financial statements	"To provide information about the financial position, performance and, when required to be presented, cash flows of an entity that is useful for economic decision-making by a broad range of users who are not in a position to demand reports tailored to meet their particular information needs" (FRS 102 glossary).
objectivity	One of the requirements for an auditor. "Objectivity is a state of mind that excludes bias, prejudice and compromise and that gives fair and impartial consideration to all matters that are relevant to the task in hand, disregarding those that are not. Objectivity requires that the auditor's judgment is not affected by conflicts of interest. Like integrity, objectivity is a fundamental ethical principle" (APB ES 1 para 9). "Objectivity is basing your advice and decisions on rigorous analysis of the evidence" (Civil Service values). For tax professionals: "2.4 A member may be exposed to situations that could impair his objectivity. It is impracticable to define and prescribe all such situations. Relationships which bias or unduly influence the professional judgement of the member must be avoided. 2.5 A member must explain to his client the material risks of the tax planning or tax positions and the basis on which the advice is given. 2.6 A member must always disclose to his client if he is receiving commission, incentives or any other advantage and the amounts he receives from a third party relating to the matter upon which he is advising his client. He must also follow his professional body's rules on disclosure of and accounting for commission." (Professional Conduct in Relation to Taxation.)
objects	As a verb for PAYE purposes, "means give a notice of objection to the Inland Revenue" (PAYE Regulations SI 2003 No 2682 reg 2(1)).

objects clause	<p>Clause in a company's memorandum of association that states the purpose for which the company is formed. This is no longer a legal requirement.</p> <p>Historically, this restricted what a company was allowed to do. Modern practice is either to make the objects clause so wide that the company has complete freedom of action or not to have such a clause.</p>
oblation	<p>Offering, particularly in the context of worship.</p>
obligating event	<p>Event that creates a legal or constructive obligation that results in a person or organisation having no realistic alternative but to settle that obligation (FRS 12).</p>
obligation	<p>In accounting, a condition for regarding an item as a liability.</p> <p>It is not necessary for the obligation to be legally enforceable. However, an obligation usually requires more than a mere decision to accept responsibility, as a decision may be reversed. It is usually necessary for the decision to have become irrevocable such as by notification to affected parties.</p>
Obligations Assimilables du Tresor (OAT)	<p>French government bonds with a maturity period of at least seven years.</p>
90imila	<p>Person to whom a bond is made.</p>
obligor	<p>Person who binds himself or herself with a bond.</p>
oblique	<p>Printing sign / .</p>
oblong	<p>Old American slang for a bank note.</p>
obol	<p>Ancient Greek coin worth one sixth of a drachma.</p>
OBR	<p>Office of Budget Responsibility.</p>
obreption	<p>Seeking to obtain a gift by stealth.</p>
O'Brien, Leslie	<p>English banker (1908-96) who was governor of the Bank of England between 1966 and 1973.</p>
obscene	<p>"An article shall be deemed to be obscene if its effect or (where the article comprises two or more distinct items) the effect of any one of its items is, if taken as a whole, such as to tend to deprave and corrupt persons who are likely, having regard to all relevant circumstances, to read, see or hear the matter contained or embodied in it" (Obscene Publications Act 1959 s1(1)).</p> <p>There is an exception for material for the public good.</p> <p>Note that the term requires more than causing offence or disgust, or of being below a moral standard. Obscene material must have a harmful effect.</p>
obscene material	<p>Material that is likely to corrupt those who read or watch it. Such material must be more than just offensive or indecent.</p>

Customs may seize any **obscene** or **indecent material** that a traveller attempts to bring into the UK.

obscuration	The extent to which a hydrometer reading of the strength of alcoholic liquor known as spirits is reduced by the presence of sweetening, colouring, or other matter.
obscurum per obscurius	Latin: explaining the obscure by the more obscure.
obsignation	Old term for process of sealing a document to confirm the veracity of its contents.
obsolescence	<p>Process by which stock loses value for reasons other than deterioration in condition.</p> <p>Reasons for obsolescence include changed fashion, discontinuance of related products, alternative products and newly available cheaper alternatives.</p> <p>As stock is valued at the lower of cost and net realisable value, obsolescent stock is usually written down to nil or to scrap value in the balance sheet.</p>
obsolete	Sometimes a distinction is made between obsolete and obsolescent in that the latter denotes a continuing process of value loss, whereas the former denotes stock that has already lost value.
obstruction	Obstruction of an officer of HMRC without lawful excuse is an offence under Commissioners for Revenue and Customs Act 2005 s31.
obstructive building	"Means a building which, by reason of its contact with, or proximity to, other buildings, is dangerous or injurious to health" (Housing Act 1936 s54(3)).
obtain a relevant tax advantage	In the context of a change arrangement disallowing a capital allowance, "means become entitled to a reduction in profits, or an increase in losses, for the purposes of corporation tax in consequence of a claim to allowances in respect of qualifying expenditure in respect of the relevant plant and machinery or qualifying expenditure within the meaning of section 212K(3)". (Capital Allowances Act 2001 s212M(3)).
obtaining services dishonestly	Crime of fraud committed by a person who dishonestly obtains services for himself or another. This applies when services attract a charge, the person knew that or knew that may be so, and deliberately fails to make payment (Fraud Act 2006 s11).
obtestation	Old term meaning to call as a witness.
obvention	Old term meaning an incidental occurrence or fee.
obverse	Front, particularly the "heads" of a coin. The other side is the reverse.

obviation	Prevent or dispose of in advance. Note that the word does not mean just to avoid; there must be an element of forestalling before the event.
OC	Figure used in calculation of oil exploitation profits, as used in Corporation Tax Act 2010 s356N(8) and (13).
OCC	Options Clearing Corporation.
occupancy	(1) State of living, working or otherwise occupying premises, or the extent to which premises are occupied. (2) Taking possession of an ownerless thing.
occupancy restriction	“Any covenant (for example, agreement or term in a contract), statutory planning consent, site licence or similar permission, the terms of which prevent the person to whom the pitch is provided from occupying it by living in a caravan at all times throughout the period for which the pitch is provided (such as a condition that says ‘no caravan shall be lived in during February’). (VAT leaflet 701/20). The existence of such a restriction means that the provision of a caravan pitch is likely to be standard-rated for VAT rather than exempt. The matter is fully explained in VAT leaflet 701/20.
occupation	Definition for land Physical possession and control of land. Legal Under Land Registration Act 1925, the proprietary rights of a person in actual occupation may be an overriding interest that binds a purchase of registered land unless inquiry is made of that person and the rights are not disclosed. In marriage, occupation established a right over the matrimonial home which may be protected as a land charge (Family Law Act 1996). International law Act of taking over territory belonging to no-one or to another state. Inheritance tax In relation to property for inheritance tax, occupation is not restricted to living in a property. It may be occupied if a person uses it for storage or lets it to someone else. Occupation can be relevant in determining whether a gift of the property is a gift with reservation . Definition for work How a person earns his or her living. Tax implications on sale of occupation income “References to an occupation, in relation to an individual, are references to any activities of a kind undertaken in a profession or vocation, regardless of whether the individual —

(a) is carrying on a profession or vocation on the individual's own account, or

(b) is an employee or office-holder" (Income Tax Act 2007 s774).

occupational disease Impairment of health caused by continued exposure to conditions inherent in a person's occupation or a disease resulting from the nature of an occupation.

occupational immobility Economic term for when resources do not freely move from one purpose to another. It is particularly a problem with labour as people often find it difficult to switch rapidly from one job to another. This is usually because their skills are very specific and they will need retraining to be able to switch to a different job. It may therefore be a cause of unemployment.

occupational maternity pay (OMP) Maternity pay provided by an employer in addition to **statutory maternity pay**. Entitlement to OMP may arise under a contract of employment or by subsequent agreement.

occupational pension Pension which is funded by employees from either deductions from their wages or contributions from the employer or both.

Occupational Pensions Board (OPB) Body set up to supervise occupational pension schemes.

occupational pension scheme (OPS) A pension scheme set up by an employer for employees. It is run by Trustees and usually provides life insurance as well as pension benefits. The pension earned by the employees is usually based on a percentage of **final salary** or on the amount paid in (**money purchase** basis). An occupational pension can either be contributory (where members contribute to the fund) or non-contributory, which is entirely paid for by the employer.

A statutory definition is "a pension scheme —

(a) that —

(i) for the purpose of providing benefits to, or in respect of, people with service in employments of a description, or

(ii) for that purpose and also for the purpose of providing benefits to, or in respect of, other people,

is established by, or by persons who include, a person to whom subsection (2) applies when the scheme is established or (as the case may be) to whom that subsection would have applied when the scheme was established had that subsection then been in force"

(Pension Schemes Act 1973 s1(1)).

HMRC defines it as "a pension scheme set up by an employer (known as a sponsoring employer) to provide benefits for, or in respect of

- any or all of his own employees
- any or all of the employees of any other employer"

(Inspectors' Manual at RPSM02200040). This mirrors the wording of Finance Act 2004 s150(5).

Occupational Pensions Regulatory Authority (OPRA)

Authority established under Pensions Act 1995 to supervise occupational pension schemes. In 2005, it was replaced by the **Pensions Regulator**.

occupational sick pay (OSP)

Sick pay paid to an employee under a contract of employment or at the discretion of the employer.

An employer may opt out of paying **statutory sick pay** if OSP is at least as generous. Otherwise OSP is an additional payment. OSP is subject to income tax (under PAYE) and national insurance on the same basis as normal pay.

occupational split

Factor considered in a **group insurance** policy.

It analyses the workforce into general categories, such as 70% manual workers and 30% clerical workers. This is used to calculate the premium payable.

occupation income

The income tax provisions on the sale of such income are set out in Income Tax Act 2007 from s773.

occupation order

Any one of several orders that may be made under Family Law Act 1966 in respect of who may live in a matrimonial home.

occupation restriction

In the context of the VAT exemption for land on a seasonal caravan site for employees "means any covenant, statutory planning consent or similar permission, the terms of which prevent the person to whom the pitch is provided from occupying it by living in a caravan at all times throughout the period for which the pitch is provided"
(Value Added Tax 1994 Sch 9 Group 1 Note (14A) as inserted by Value Added Tax (Land Exemption Order) SI 2012 No 58 with effect from 1 March 2012).

occupier

A person who occupies a building but who may not own it. So a tenant is an occupier.

For Customs purposes, the term is used more restrictively to mean a manufacturer who occupies a registered factory or store.

For bonded premises, the term "includes any person who has given security to the Crown in respect of those premises" (Customs and Excise Management Act 1979 s1(1)).

occupier's liability

Liability an occupier has for those who suffer injury while on the premises. The liability arises from various laws including Occupiers' Liability Acts of 1957 and 1984.

OCD

Officers' Career Development (in armed forces).

OCI

Other comprehensive income.

ochlocracy

Mob rule.

o'clock

Definiton of time for half a day in 12 units of one hour.

OCNS	Office of Civil Nuclear Safety.
OCO	One cancels other.
OCR	Optical character recognition, or optical character reading.
OCT	Overseas countries and territories.
octane	Method of measuring the anti-knocking content of petrol. The term comes from the name of the organic material used for the test.
octennial	Occurring every eight years.
octillion	One thousand raised to the ninth power; 1 followed by 27 zeros.
October	Tenth month of the calendar year and seventh month of the financial year. It has 31 days.
octocentenary	Eight hundredth anniversary.
octodecimo	Old page size formed as 18 sides from a single sheet of paper.
octonary	Based on the number eight.
OD	Overdrawn or overdraft. The abbreviation is sometimes shown as O/D.
ODA	Official development assistance.
odd lot	In investment, block of securities that is greater or lesser than the normal trading unit. The consequence may be that the price is different.
odd number	Integer that is not wholly divisible by 2, such as 1, 3, 5, 7 etc.
odometer	Device that records the mileage of a vehicle.
odor 95imil	Latin: sweets of gain. This means the joy of making money.
ODPM	Office of the Deputy Prime Minister. This was a UK Government department, now abolished, formerly part of the Department for Transport Local Government and the Regions (DTLR).
ODS	Ozone depleting substances.
OECD	Organisation for Economic Co-operation and Development, founded in 1961. It succeeded the Organisation for European Economic Co-operation (OEEC) established in 1948 to avoid the mistakes that led to war. Since 9 December 2010 it has 34 member states. The UK is a founder member. According to its website, "the mission of the Organisation for Economic Co-operation and Development (OECD) is to promote policies that will improve the economic and social well-being of people around the world.

“The OECD provides a forum in which governments can work together to share experiences and seek solutions to common problems. We work with governments to understand what drives economic, social and environmental change. We measure productivity and global flows of trade and investment. We analyse and compare data to predict future trends. We set international standards on all sorts of things, from the safety of chemicals and nuclear power plants to the quality of cucumbers.

“We look, too, at issues that directly affect the lives of ordinary people, like how much they pay in taxes and social security, and how much leisure time they can take. We compare how different countries' school systems are readying their young people for modern life, and how different countries' pension systems will look after their citizens in old age.” (OECD website)

OECD Global Forum	World's largest international tax agency. It assesses countries for tax transparency.
OEEC	Organisation of European Economic Co-operation. This body was formed in 1948. It changed its name to OECD in 1961 when non-European countries were admitted.
OEIC	Pronounced as “oiks”, this stands for Open-Ended Investment Companies . Although not dissimilar to unit trusts and investment trusts, an OEIC is basically a company which can be self-contained or it can form an “umbrella” over a range of individual funds (sometimes referred to as sub-funds). Instead of units, an OEIC issues shares and these can be of different classes – for example, for income accumulation, for income distribution, or classes where income is paid gross or net of lower-rate income tax.
OEIC Regulations	Open-Ended Investment Companies (Tax) Regulations SI 1997 No 1154.
oersted	Unit of magnetic field strength.
OFCOM	Office of Communications.
of course	In law, means a step where the court has no discretion but to grant what is applied for.
OFEX	Independent stock exchange established in 1995.
offal	For VAT, offal sold for human consumption or for use in animal feeds is zero-rated. Most other offal is standard-rated. Full details are given in VAT notice 701/15.
off-balance sheet	Accounting transactions which are kept outside the published accounts.
off-balance-sheet finance	An arrangement to keep matching assets and liabilities away from the entity's balance sheet.

offence	Action, or omission to act, that is contrary to the law. "A crime or illegal act" (website of Crown Prosecution Service).
offender	"A person who has admitted his or her guilt to a police officer or other investigator or prosecutor, or who has been found guilty in a court of law" (website of the Crown Prosecution Service). In Scots law, the term also means a person who has forfeited the right to inherit property (Succession (Scotland) Act 2016 s12).
offensive weapon	It is an offence to import such a weapon under Restriction of Offensive Weapons Act 1959 and Criminal Justice Act 1988. It is an offence to have such a weapon in a public place , for which purpose the term "means any article made or adapted for use for causing injury to the person, or intended by the person having it with him for such use by him or by some other person" (Prevention of Crime Act 1953 s1(4)). The latter Act provides a list and description of such weapons at s141. There are exceptions for antique weapons.
offer	(1) In law, a preliminary step in the process of making a contract . The contract is made when there is acceptance of the offer. A price ticket or advertisement is an invitation to treat , and does not comprise an offer. (2) In investment, an indication that a seller is willing to sell shares or other securities at a stated price.
offer document	Formal document in which a company offers to buy shares held by another, usually as part of a takeover bid. Such a document must be in accordance with rules as set out in Companies Act 2006 from s962 and the Takeovers Directive . The term "offer document" is defined in Companies Act 2006 s953(9) as being a document that complies with Article 6.2 of the Directive.
offer document rules	"Rules designated as rules that give effect to Article 6.3 of that [Takeovers] Directive" (Companies Act 2006 s953(9)).
offer for sale	A company making a general offer of its shares to the public.
offer-only warrant	In investment, a warrant that the holder cannot sell back to the issuer.
offer period	Period in which an offer applies, particularly to buy shares at a price above market value to secure a takeover. The term is defined in Companies Act 2006 s971(1) by reference to Article 7.1 of the Takeover Directive .
offer price	Price at which a broker is prepared to sell shares. It is above his bid price at which he will buy.
offering	Statement that a person is willing to sell something, usually for a stated price. For apprenticeships, the term "in relation to any course or training, includes offering or marketing it to the public generally or to any section of the public" (Apprenticeships, Skills, Children and Learning Act 2009 sA11(9) as

inserted by Enterprise Act 2016 s25).

offering circular	Document which provides information about a company whose shares are being offered for sale for the first time.
offeror	Person who makes an offer.
offertory	Collection of money in a church.
offer to the public	<p>An offer of shares or other securities for purchase by members of the public (Companies Act 2006 s756).</p> <p>This is subject to many legal restrictions. In general, such an offer must be by a public company and in accordance with a prospectus.</p>
Office	Widely used suite of business programs provided by Microsoft.
office	<p>(1) Position held by someone, such as auditor or councillor.</p> <p>(2) Place where paperwork is done.</p>
office attire	Part of the dress code which is concerned with how people appear in the office.
office copy	Copy made by an officer appointed for such a person. The copy is sealed or signed by that officer and is admissible as evidence.
Office Européen des Brevets	French: European Patent Office .
Office for Budget Responsibility (OBR)	<p>Body established by Budget Responsibility and National Audit Act s3 and Sch 1. Its duty is "to examine and report on the sustainability of the public finances" (ibid s4).</p>
Office for Legal Complaints (OLC)	Body corporate established by Legal Services Act 2007 s114.
Office for National Statistics (ONS)	Government agency which produced statistics until replaced by the Statistics Board .
Office for Professional Body Anti-Money Laundering Supervision (OFBAS)	Body announced on 15 March 2017 to identify and address weaknesses in bodies charged with enforcing money-laundering rules.
Office for Students (OfS)	Body established by Higher Education and Research Act 2017 s1. The Act sets out its functions. The Office started on 8 January 2018.
office holder	Person who holds an office. There are corporation tax provisions in Corporation Tax Act 2009 s969.

- office hours** Hours when an office is either open to the public or may be contacted by telephone.
- office job** Employment in an **office**, or similar clerical work.
- Office of Budget and Delivery (OBD)**
American government department. The government of 2003 proposed (but abandoned) a plan to create such an office in the UK under project **Teddy Bear**.
- Office of Budget Responsibility (OBR)**
Organisation established in 2010 to provide independent advice on tax policy. Its first statement was published on 14 June 2010, eight days before its first Budget.
- Office of Civil Nuclear Security (OCNS)**
Part of the Health and Safety Executive.
One of its functions is to regulate the import of nuclear material.
- Office of Communications (OFCOM)**
Body established by Communications Act 2003 s1 to further the interests of consumers in regard to communications matters, such as radio, television and telephone services.
- Office Of Exit** Normally the last customs office before the goods leave the customs territory of the European Union.
- Office Of Export** The customs office where the export declaration is lodged.
- Office of Fair Trading (OFT)** Government department which protects customers from unfair or illegal business practices. It is now part of the Competition and Markets Authority.
- Office of Financial Sanctions Implementation (OFSI)**
Body established within the Treasury on 31 March 2016 to “provide a high-quality service to the private sector, working closely with law enforcement to ensure that financial sanctions are properly understood, implemented and enforced” (OFSI website).
- Office of Management and Budget (OMB)**
In USA, a government department which prepares the Federal budget.
- Office of Thrift Supervision (OTS)**
In USA, a government department which regulates the Savings and Loan Association.
- officer** *Business*
Person who works for an organisation, such as an ordinary employee. The term is widely used in government and local authorities.
For Companies Acts, the term “in relation to a body corporate, includes a director, manager or secretary” (Companies Act 2006 s1173(1)).

Military

A member of the armed forces or police. For the former, the term “includes a midshipman” (Armed Forces Act 2006 s374).

Officers of Revenue and Customs

Official term for tax officers appointed by the Commissioners for Her Majesty's Revenue and Customs (Commissioners for Revenue and Customs Act 2005 s2).

Offices En Route

Frontier offices through which a **Transports Internationaux Routiers** movement passes on the journey to its destination. At each of these offices the container or vehicle and TIR Carnet must be presented to Customs.

Offices Of Departure/Destination

Approved Customs offices where a **Transports Internationaux Routiers** movement officially begins or ends. This may be at an **Inland Clearance Depot**, port or airport.

office spouse

Colloquialism for a colleague with whom one has a close relationship, though usually a non-romantic one.

official

Confirmed or approved by a government body, or other organisation which has similar standing.

official agent

“Means a person who is not a **consul...** but is employed on the staff of —
(a) a consulate, or
(b) an official department or agency of a foreign state”
(Income Tax (Earnings And Pensions) Act 2003 s301(5)).

official books of account

Records of an organisation which it must legally keep.

official computer system

“Means a computer system maintained by or on behalf of the Board of Inland Revenue or an officer of the Board” (PAYE regulations SI 2003 No 2682 reg 189).

official custodian

Officer whose function is to act as trustee for charities in circumstances prescribed by Charities Act 2011 s21. The custodian is appointed by the **Charity Commission**.

official development assistance (ODA)

Target of overseas aid to be provided by the UK government. This is set at 0.7% of gross national income under Development (Official Development Assistance Target) Act 2015 s1(1).

official exchange rate

When a country dictates the rate at which its currency may be exchanged.
Typically this is used for a **blocked currency** where the official exchange rate is higher than is otherwise justified. In effect, the government is imposing a penalty on outsiders who wish to trade with it.

official industrial action	Action which is taken after the statutory requirements of Trade Union and Labour Relations (Consolidation) Act 1992 have been followed.
official liquidator	Liquidator appointed by a government department when no such appointment is made by the members or creditors (Insolvency Act 1986 s136).
Official List	Daily publication of the London Stock Exchange recording the highest and lowest prices recorded that day for each share and other security.
Official Monster Raving Loony Party (OMRLP)	Political party formed in 1983, from groups going back to 1963. Although formed to satirise politics, it has had political influence in the UK. It won its first seat in 1987 on Ashburton Town Council, Devon. The Social Democratic Party finally conceded defeat when beaten by OMRLP in the Bootle by-election of May 1990. At least two of their policies, all-day pub opening and pet passports, have become law.
Official Property Holder	Person appointed under Audit, Investigations and Community Enterprise) Act 2004 s29 to hold property belonging to a community interest company under the terms of Sch 5 of the Act. The office is a corporation sole.
official rate of interest	<p>Rate periodically announced by the Treasury and used to determine the value of employment-related loans and accommodation provided to employees to the extent that they comprise a taxable benefit in kind. The relevant law is Income Tax (Earnings And Pensions) Act 2003 s181.</p> <p>Before 6 April 1991, the official rate was the base rate plus 1 percentage point. This was replaced by the present system which simply decrees a rate in line with mortgage rates. In October 1995, the official rate reduced even though there was no reduction in the base rate.</p> <p>From 6 April 1994, the Treasury may stipulate a lower rate if the loan is made in a foreign currency. Such orders have been made for the Japanese yen and Swiss franc.</p>
Official Receiver	Government officer who deals with a person who has become bankrupt (Insolvency Act 1986 ss399-401).
official return	Report that a person or business submits to a government body or other authority.
official secrets	Material that the government has declared as confidential, and for which disclosure is a criminal offence.
Official Solicitor	Person who is appointed to act as solicitor before the courts under various enactments, particularly Supreme Court Act 1981 s90.
official statistics	Statistics produced by the Statistics Board or by another government or government-appointed body (Statistics and Registration Service Act 2007 s6).

off-line	For Customs purposes, the onward carriage of a through inter-airport removal or a through transit, by a carrier who is not the inward carrier of the goods.
off-market purchase	In company law, term used for when a company buys shares in itself other than from a recognised stock market. Generally this is prohibited under Companies Act 2006 s694.
off-plan purchase	Purchase of a building on the basis of plans, when the building work is not completed (or may not even have started). Such a purchase may qualify for sub-sale relief from stamp duty land tax under the provisions of Finance Act 2013 s195. The implications for annual tax on enveloped dwellings are given in Finance Act 2013 s113.
off-season letting	Letting of holiday accommodation outside the normal holiday season. The VAT position for such a letting of a caravan is explained in VAT leaflet 701/20.
offset	When an asset and liability are netted off to show a single figure as an asset or liability. FRS 5 para 29 states that two items should not be offset where they represent separate transactions. For example if A both sells £10,000 of goods to B and buys £4,000 of goods from B, these transactions should be respectively included in debtors and creditors for these amounts, and not just as one debtor for £6,000. An exception may be made when the reality is that the items will be netted off. This requires three conditions to be met: (a) the amounts are quantified, and either in the same currency or in freely convertible currencies; (b) the reporting entity has the right to insist on a net settlement; and (c) the right to insist on a net settlement is beyond doubt.
offset account	Bank account where savings and borrowings are netted off. If such an account is used by a business, tax relief is given on the net amount of interest paid (Inspector's Manual at BIM45695).
offset method	Method set out in accounting standard SSAP20 regarding foreign exchange . The tax implications are discussed in the Inspectors' Manual at BIM39522.
offshore	Based in another country, particularly referred to locations which have a more lax tax regime.
offshore company	Company established in another country, particularly one where there is little supervision and low tax rates.
offshore declaration of trust	Old scheme that sought to avoid stamp duty by executing a deed overseas and then transferring title in the UK for a nominal sum. The scheme failed in <i>Parinv (Hatfield) Ltd v IRC [1996]</i> .

offshore evasion	Evasion of tax using offshore facilities. From 1 January 2017, this is subject to stricter penalties equal to the higher of 100% of the tax involved or £3,000. HMRC may also name the evader.
offshore finance subsidiary	Subsidiary created in another country to handle its finances under a benign regime, usually with less regulation and lower taxes.
offshore financial centre	Country or region which has laws designed to attract financial business.
offshore funds	Collective investment funds that are based overseas, often in 'tax havens' or other locations with particular tax advantages.
Offshore Funds (Tax) Regulations	Name of SI 2009 No 3001.
offshore infrastructure	Term used in Capital Allowances Act 2001 s161A in relation to capital allowances for oil platforms and similar.
offshore installation	Oilrig or similar. A full definition is in Income Tax Act 2007 s1001. Travel expenses from the UK mainland to such an installation is exempt from tax under Income Tax (Earnings And Pensions) Act 2003 s305. For an employee to claim the seafarer's earnings deduction (SED), it is necessary that the seafarer does not work on an offshore installation.
offshore licence	"Means a petroleum licence which confers on the holder of that licence rights in respect of offshore waters " (Energy Act 2016 s18(1)).
offshore licensee	"Means a person holding an offshore licence " (Energy Act 2016 s18(1)).
offshore matter	In relation to tax penalties, the term is defined in Finance Act 2007 Sch 24 para 4A(4).
offshore rigger	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 50.
offshore transfer	(1) In relation to the remittance basis, this means a transfer from a mixed fund, as defined in Income Tax Act 2007 s809R(5). (2) In relation to tax penalties, the term is defined in Finance Act 2007 Sch 24 para 4A(4B).
offshore waters	"Means — (a) the waters comprising the territorial sea of the United Kingdom, and (b) the sea in any areas for the time being designated under section 1(7) of the Continental Shelf Act 1964" (Energy Act 2016 s18(1)).
off-shoring	Practice of relocating a business function overseas, usually to avoid having to comply with UK laws and regulations.

off the cuff	Description of action or speech which is unprepared.
off-the-job training	Training provided to employees other than at their place of work.
off the record	Agreement between a journalist or other person that comments made may not be quoted by the journalist nor may the source may be identified. It is the opposite of an on the record conversation. There is also a halfway house of non-attributable conversation or Chatham House Rules that allows the information to be published, but the source not identified.
off the run issue	Securities that are not, or are no longer, regarded as benchmark stocks. They tend to trade with wider spreads than benchmark stocks.
OFM	Prefix for HMRC's offshore funds manual.
OFSI	Office of Financial Sanctions Implementation.
OGA	Oil and Gas Authority.
Ofgem	Office of Gas and Electricity Markets.
OFMDFM	Office of the First Minister and deputy First Minister, in Northern Ireland Assembly.
OfS	Office for Students.
OFSTED	Office for Standards in Education
OFT	Office of Fair Trading.
OG	Original gravity , of beer. Customs notice 226 explains how this may be used to calculate the alcoholic strength for beer duty.
OGA	Oil and Gas Authority.
OGDs	Other government departments, abbreviation used in Customs literature.
Ohlin Report	Report published in 1956 by Bertil Ohlin for the International Labour Organization regarding labour policy in what became the European Union. His theory was that high wage countries need no protection from low wage countries as the different between wage rates is reflected in productivity which in turn is reflected in exchange rates.
ohm	Unit of electrical resistance.
OI	Other interest, term used for making returns of interest paid.
OIE	Overnight incidental expenditure.

oil

General

Term applied to particular liquids according to different criteria.

For purposes of **excise duty**, oils are **hydrocarbons** which are subject to **excise duty** on hydrocarbon oil.

Oil may also be subject to petroleum revenue tax.

For corporation tax, "oil means any substance capable of being won under the authority of a licence granted under Part 1 of the Petroleum Act 1988 or the Petroleum (Production) Act (Northern Ireland) 1964" (Corporation Tax Act 2010 s356LA(4)).

Value added tax

For VAT, oil that is used as road fuel, lubricant, massage, treating wood and similar purposes is standard-rated. Most vegetable oils and cooking oil is zero-rated as food, as explained in VAT notice 701/14. Waste cooking oil for recycling is standard-rated.

Oil that is supplied as road fuel is always standard-rated.

Oil for residential heating is generally reduced-rated under Value Added Tax Act 1994 Sch 7A Group 1, but otherwise standard-rated. Details are given in VAT notice 701/19. HMRC accepts that a supply of up to 2,300 litres is for domestic use.

Corporation tax

For corporation tax on oil companies, the word "means any substance capable of being won under the authority of a licence granted under Part 1 of the Petroleum Act 1998 or the Petroleum (Production) Act (Northern Ireland) 1964... other than methane gas won in the course of operations for making and keeping mines safe" (Corporation Tax Act 2010 s278 and Income Tax (Trading and Other Income) Act 2005 s225E).

Oil Act

"Hydrocarbon Oil Duties Act 1979" (Hydrocarbon Oil (Industrial Reliefs) Regulations SI 2002 No 1471 reg 3).

oil activities

Trading activities whose taxation is set out in Income Tax (Trading and Other Income) Act 2005 from s225ZH.

Oil and Gas Authority (OGA)

Body formed from 1 April 2015 by the Department of Energy and Climate Change to regulate the oil and gas industry.

It was formed as Oil and Gas Authority Ltd but was renamed, without the Ltd, under Energy Act 2016 s1(1).

OGA may impose levies on petrol and gas licence holders under Energy Act 2016 s13.

oil contractor activities

For corporation tax purposes, this term is defined in Corporation Tax Act 2010 from s356L.

oil extraction

This is treated as a separate trade from other commercial activities (Income Tax (Trading And Other Income) Act 2005s16).

- oil extraction activities** For corporation tax, this term is defined in Corporation Tax Act 2010 s272. For income tax, it is defined in Income Tax (Trading and Other Income) Act 2005 s225A.
- oil field licensee** In relation to PAYE for UKCS workers, “means the holder of a licence under Part 1 of the Petroleum Act 1998 in respect of the area in which the duties of the continental shelf worker’s employment is performed” (PAYE regulations SI 2003 No 2682 ref 84D).
- oil licence** Licence to drill for oil.
Such a licence cannot give rise to **rollover relief** (Taxation of Capital Gains Act 1992 s193).
A licence is excluded from the degrouping charge (Corporation Tax Act 2009 s809).
From 29 March 2011, this term includes goodwill and any related intangible asset (Corporation Tax Act 2009 s809(1A)).
- oil licence swaps** Corporation tax provisions are set out in Taxation of Capital Gains Act 1992 s195A.
- oil production sharing contract** Contract between an oil company and a country (or its representative) where oil is or may be produced.
There are some special capital allowance provisions for such contracts as set out in Capital Allowances Act 2001 from s167.
- oil-related activities** For corporation tax, the term “means —
(a) **oil extraction activities**, and
(b) any activities consisting of the acquisition, enjoyment or exploitation of **oil rights**”
(Corporation Tax Act 2010 s274).
- oilrig** An oilrig or similar installation qualifies for capital allowances as **plant and machinery**. From 7 August 2000, this includes the cost of preparing the oilrig for use. The relevant provisions are Capital Allowances Act 2001 ss163-164.
Transport of workers from the UK mainland to an oilrig is exempt from tax under Income Tax (Earnings And Pensions) Act 2003 s305.
- oil rights** For corporation tax, the term “means —
(a) rights to oil to be extracted at any place in the United Kingdom or a designated area, or
(b) rights to interests in or to the benefit of such oil”
(Corporation Tax Act 2010 s273).
The same definition is used in Income Tax (Trading and Other Income) Act 2005 s225B.
- oil residues** “Any waste consisting of, or arising from, oil or a mixture containing oil”
(Prevention of Pollution Act 1971 s29(1)).

OIML	Organisation of Legal Metrology.
Oireachtas	Legislature of the Irish Republic.
OI Return	Other Interest Return. Before 2014, it was known as a Type 18 return.
OJEC	Official Journal of the European Communities. This is the gazette of record of the European Union (EU). The definitive text of all EU legislation is published in the OJEC.
OJEU	Official Journal of the European Union.
OLC	Office for Legal Complaints.
old accessory	In the context of taxing company cars, an existing part of a car which is replaced by a new accessory .
old age pension	Common name for state retirement pension .
old age pensioner (OAP)	Person in receipt of a state retirement pension .
old annuity contract	In relation to taxation of annuity business, "means a general annuity contract made by an insurance company in an accounting period beginning before 1 st January 1992 (including one forming part of the business transferred to another insurance company by an insurance business transfer scheme)" (Finance Act 2001 Sch 7 para 16(7)).
old arrangements	Term used in SI 2010 No 429 in relation to a transfer of tax-advantaged pension benefits.
old asset	Asset that is realised for the purpose of reinvestment (Corporation Tax Act 2009 s754(2)).
Old Bailey	Popular name for the Central Criminal Court in London.
old Bill	Slang for police.
old bond	Another name for a busted bond .
old boy	Former (male) pupil.
old boys' network	Arrangement whereby friends provide benefits to each other in a non-open manner.
Old Cases payments	For social security and national insurance, means "payments under Part I or Part 11 of Schedule 8 to this Act" (Social Security Contributions and Benefits Act 1992 s122(1)). These relate to employment before 5 July 1948.
Oldco	Term often used in tax cases to describe an old company that has a similar name to a new company (called newco) such as in a case concerning a

takeover or restructuring.

old code scheme Superannuation fund approved before 1970 which has not been re-approved under later pension scheme legislation. Such schemes retain their tax advantages, provided no further contributions have been made since 5 April 1980.

The matter is discussed in the Inspectors' Manual at RPSM 02100020.

old contract costs In relation to fair value accounting for life insurance contracts, the term is defined in Corporation Tax Act 2009 s568(2).

old dwelling *Annual tax on enveloped dwellings*
Dwelling from which a new dwelling is created.

The implications for annual tax on enveloped dwellings are given in Finance Act 2013 s125.

Affordable housing

The term is defined in Housing and Planning Act 2016 s74(7).

old economy Businesses that engage in long-established activities, such as building and manufacturing rather than electronics or telecoms.

old economy stocks Shares or other securities on **old economy** businesses.

Old Lady of Threadneedle Street

Poetic description of the **Bank of England**.

The term dates back to a ballad of 1797, but may have been current before then.

old land Land given up in a **compulsory acquisition**.

The capital gains tax provisions are given in Taxation of Capital Gains Act 1992 s247.

old NAO Term used in Budget Responsibility and National Audit Act 2011 Sch 4 to refer to the National Audit Office established under National Audit Act 1983 before the 2011 Act came into force.

old pence Term used to describe pence before the adoption of **decimal currency** in 1971. There were 12 old pence to the shilling, and 20 shillings to the pound, so there were 240 old pence to the pound. Under decimal currency there are 100 new pence to the pound, so 1 new penny equals 2.4 old pennies.

The term "new pence" was officially dropped from coins in 1982.

old period In relation to an anti-avoidance provision for capital allowances, this term is specifically defined in Capital Allowances Act 2001 s212N(3).

old Scottish term days Before 13 June 1991, the four **term days** that correspond to English **quarter days**.

They were Candlemas (2 February), Whitsunday (15 May), Lammas (1

August), and Martinmas (11 November).

old shares	Term used in tax law and elsewhere in the connection of a company reconstruction . It means the shares which are replaced by new shares .
old state pension	Category A or B retirement pension payable by the state before 6 April 2016 (Pensions Act 2014 s21).
old-style secure tenancy	Tenancy that may be provided under Housing Act 1985 s81B.
old vehicles exemption	Exemption from vehicle excise duty (road tax) for old vehicles (Vehicle Excise and Registration Act 1994 Sch 2). From 1 April 2016, the exemption applies to vehicles constructed before 1 January 1976.
OLEV	Office of Low Emission Vehicles.
oligarchy	Government by a small group or class of people.
oligopoly	Control similar to monopoly but exercised by a family or a small group of people.
oligopsony	When a small number of people control the demand or market for a product or service.
Olin v Scorer	Name of a leading tax case whose full citation is <i>Olin Energy Systems Ltd v Scorer [1982] Ch D, 58 TC 592</i> . The case held that interest is allowable only if used for the trade for which the loan was taken out. This case is discussed in the Inspector's Manual at BIM45665. <i>[Because of the appeals, this case is sometimes quoted with the parties reversed.]</i>
olive branch	Offer of a peace settlement.
Olympic Delivery Authority	Body corporate established under London Olympic Games and Paralympic Games Act 2006 s3 to provide infrastructure and other facilities for the London Olympics of 2012.
Olympic Games	International sports contest held every four years. The games were held in ancient Greece. They were revived in 1896. There are special tax provisions for participants in the Games held in London in 2012.
Olympic Lottery	Lottery which raises funds for the Olympic Games in London in 2012 (Horserace Betting and Olympic Lottery Act 2004 s21).
Olympic Lottery Distribution Fund	Government controlled fund established by Horserace Betting and Olympic

Lottery Act 2004 s23.

Olympic Lottery Distributor Body corporate established under Horserace Betting and Olympic Lottery Act 2004 s29.

Olympic swimming pool Unofficial measure of volume. An Olympic pool is 50 metres (164 feet) long, 25 metres (82 feet) wide, with a minimum depth of 2 metres (6 ft 7 in) and a capacity of 2,500 cubic metres (88,000 cubic feet).

O & M **Organisation and management.**

Oman Arab state. Its currency is the Omani rial of 1,000 biasas. The UK has a double taxation convention of 1998 as amended by a protocol of 2009.

OMB **Office of Management and Board**, US government department.

ombudsman An independent official to whom grievances can be aired, free of charge. Ombudsman is a Swedish word meaning citizen's representative. The Insurance Ombudsman Bureau aims to increase confidence in Insurance by offering an independent resource for resolving disputes between insurance companies and their customers.

Ombudsman for the Board of the Pension Protection Fund Commissioner appointed under Pensions Act 2004 s209 to perform the task of the job title.

ombudsman scheme Scheme which the **Office for Legal Complaints** must operate (Legal Services Act 2007 s115).

omega (1) Last letter of the Greek alphabet, indicated by the symbols Ω and ω . It is used in classical Greek to denote 800. It is also used as the symbol for **ohms**. (2) In investment, the currency risk attached to an options deal made in a different currency.

omer Old Hebrew dry measure equal to one tenth of an ephah, about 2¼ litres.

omicron Fifteenth letter of the Greek alphabet, indicated by the symbols O and o. It is used in classical Greek to denote 700.

omission Leaving out something or failing to do something which should be done. In law the word **action** usually includes an omission in failing to act.

omission to exercise a right When there is a **diminution in value** of an estate because of something a person did *not* do, such as exercising an **option**. This is regarded as a **disposition** for inheritance tax purposes, and could lead to tax becoming payable if another person's estate is increased in value.
This is a rare example of when an increase in someone else's estate determines whether inheritance tax is payable. The increase of the other estate does not have to be for the same amount as the loss in the first estate.
Other examples of such an omission may include failure to collect a

debt, not voting at a company meeting, not exercising certain rights as a landlord, not to pursue other rights and not taking up a rights issue or bonus issue of shares.

omne quod inaedificatur solo cedit

Latin: everything which is built into the soil is merged therein.

omnes licentiam habent his, quae pro se indulta sunt, renunciare

Latin: everyone has liberty to renounce those things which are granted for his benefit.

omne testamentum morte consummatum est

Latin: every will is completed by death.

This notes the **ambulatory** nature of a will which may be changed at any time until the testator's death.

omnia prasesumuntur contra spoliatoem

Latin: all things are presumed against a wrongdoer.

omnia praseumuntur legitime facta donec probetur in contrarium

Latin: all things are presumed to have been legitimately done, until the contrary is proved.

omnia praesumuntur rite et solemniter esse acta

Latin: all acts are presumed to have been done rightly and regularly.

omnibus

Latin: for all.

The term is commonly used to mean a public vehicle, usually abbreviated to **bus**. It also means a collection, such as of books or episodes in a television programme.

omnibus account

American term for an account carried by the Futures Commission Merchant with another. The transactions of two or more individual accounts are combined in this account. The identities of those individuals is not disclosed. A brokerage firm may have an omnibus account to cover all its clients with its clearing firm.

omnibus bill

Term for a parliamentary bill that deals with many different subjects.

omnibus box

Box at a theatre paid for by different parties, each of whom thus acquires defined rights of usage.

omnium

Latin: of all.

The term has been used for the assignment of all securities in a government loan.

OMR

ISO code for Omani rial.

OMRLP

Official Monster Raving Loony Party.

OMS	Other Member State, of the European Union (EU).
Omsaetningafgift	Danish: value added tax.
Omzetbelasting (OB)	Dutch: value added tax.
O/N	Abbreviation used in investment to mean overnight.
on account	(1) Description of a payment to reduce a debt or the principal of a loan. (2) Description of a trading relationship where the customer pays some days after receiving the goods or services.
on all fours	Legal expression referring to a situation which is strictly analogous to another. It has been used by HMRC such as in describing the extent to which a previous decision binds them in the future.
on approval	Goods delivered to a potential customer who may examine them and either buy them or return them. Any VAT is charged on the earlier of when the customer adopts the goods or 12 months after they were supplied, according to HMRC Brief 5(2018) of 18 June 2018. For these purposes, goods are not supplied on approval if they are sold outright but the customer has the right to return them for a refund. The delivery charge for goods supplied on approval is considered as a separate charge for VAT purposes and is usually standard-rated.
on-balance volume indicator	In investment, a technical analysis term based on the volume of shares traded compared with movements in price.
on call	Description of situation where an employee is required to be available for work should a need arise. This is common in the emergency services and caring industries. This usually attracts a fee in addition to payment for any work actually done.
on call commuting	When an employee has an emergency vehicle which is used for commuting from home to a place of work solely so that the employee and vehicle can be available to deal with a sudden emergency. This is one of the two conditions which allows such a vehicle not to be regarded as a taxable company car of the employee. The alternative condition is that the employee was on call when using the vehicle (HMRC leaflet 480).
on consignment	Goods imported for post importation sale in the European Union (EU) where the value of the sale is not known at the time of importation.
on-costs	Additional costs of producing an item, particularly fixed costs of production.
on demand	Description of funds which can be provided immediately on request, such as in a current account at a bank.

one-armed bandit	Colloquialism for a fruit machine .
one cancels other (OCO)	In investment, a qualifier when multiple orders to buy or sell are placed on condition that the execution of one order cancels another or others.
One Click	Process that allows a business to register at Companies House, and for PAYE, corporation tax and self-assessment in a single operation. The facility is available from April 2012.
one-fortieth tax	Tax imposed from around 1200 to 1204 by King John of one fortieth of rents to fund the defence of the Holy Land.
one knows when one sees it	Aphorism encapsulating the elephant test .
one-night stand	A single performance by a touring company. By extension, the term has come to mean any other single occurrence.
one-off expenses	Unique expenses. These are usually allowed for in a budget by a contingency .
One Parent Families	Name of a charity between 2007 and 2009 that is now part of Gingerbread .
onerous contract	Current accounting standards define this as "a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it" (FRS 102 glossary). Previous accounting standards defined it as a "contract in which the unavoidable costs of meeting its obligations exceed the economic benefits to be received from the contract" (FRS 12). A liquidator has the right to disclaim an onerous contract, such as a hire purchase agreement at a high charge.
onerous property	Property of an insolvent person subject to such restrictions that the trustee in insolvency may disclaim them rather than realise them. A common example is where the insolvent person is leasing goods at a high interest rate.
one-stop shop	Any government facility which aims to provide a service telling someone from a single source all they need to know. The term is particularly applied to an EU initiative for all member states to provide such a facility by 1 January 2015. This would allow a business to register in one EU state and provide telecommunications services in all states without further registration. Details were announced in a European Commission press release on 13 January 2012.
one-way exchange effect	Term used in relation to exchange gains and losses and derivatives . Corporation tax provisions are given in Corporation Tax Act 2009 s328A, where the term is defined. In relation to financial derivatives, provisions are given in Corporation Tax Act 2009 s606A.

one-year money	Investment where money is invested for one year.
ongoing actuarial valuation	Valuation of a pension scheme that assumes that: <ul style="list-style-type: none">• the scheme will continue in existence;• new members will be admitted, and• earnings will increase (SSAP 24).
ongoing compliance obligations	Duties of a taxpayer to be honest in declaring taxable income after previous frauds have been addressed under the Contractual Disclosure Facility (CDF) . Having concluded the civil investigation into a tax fraud, HMRC will usually arrange a subsequent check to ensure that the taxpayer's affairs are now being dealt with honestly. Further details of these obligations are set out in code of practice COP 9 as issued on 19 January 2012.
on-lending	Lending money with the lender has borrowed.
on-line	(1) For Customs, the onward carriage of a through inter-airport removal or a through transit by the inward carrier of the goods. (2) In computing, Under the control of the computer or connected to another computer.
on-line accounting	Service whereby businesses can enter data on a website that produces accounts for them automatically.
online market place	Facility such as eBay and Amazon whereby goods may be purchased online from different suppliers. Value Added Tax Act 1994 s77BA (inserted by Finance Act 2018 s28) makes them jointly and severally for VAT that should be charged by sellers. Section 77E imposes a requirement for sellers to display their VAT regulation numbers.
online Services	HMRC provides a range of electronic services for traders and other users who need to interact with the department, or the processes that the department manage. These can be accessed via a variety of routes, or 'Channels'.
Online Tax Registration Service (OTRS)	Facility set up in April 2012 that allows a business to register once on-line for all the major business taxes. From April 2013, this is the default method for so registering. It will also then include registering for class 2 national insurance.
onomastic	Pertaining to a name or signature.
on or after	Tautology widely used in legislation. "On or after 1 January 2015" means "from 1 January 2015" or "after 31 December 2014".

on or before	<p>Term used for real time information when operating PAYE.</p> <p>The expression means that an employer must notify HMRC on or before the employee is paid. For a micro-business with nine or fewer employees, this requirement is relaxed until 5 April 2016. Such an employer may report paying an employee by the last pay day in the tax month.</p> <p>For casual workers, such as those engaged by a farm to bring in the harvest, there is a separate relaxation where payments must be notified no later than a week after payment.</p>
ONSCG	<p>Prefix for HMRC's tax manual on other non-statutory clearance guidance.</p>
onshore allowance	<p>Allowance on capital expenditure for extracting shale gas.</p> <p>The allowance has effect from 5 December 2013. It exempts 75% of capital expenditure from the corporation tax supplementary charge on ring-fence profits.</p> <p>Provisions are given in Corporation Tax Act 2010 from s356C.</p>
onshore oil-related activities	<p>In relation to oil and gas companies, this term is defined in Corporation Tax Act 2010 from s356B.</p>
onshore wind closure date	<p>"Means the date on which the Energy Act 2016 is passed" (Electricity Act 1989 s32LC as inserted by Energy Act 2016 s79(3)).</p>
onshore wind generating station	<p>"Means a generating station that —</p> <ul style="list-style-type: none">(a) generates electricity from wind, and(b) is situated in England, Wales or Scotland, but not in waters in or adjacent to England, Wales or Scotland up to the seaward limits of the territorial sea" (Electricity Act 1968 s32LC(3) as inserted by Energy Act 2016 s79).
on similar terms	<p>This expression is defined in Income Tax (Earnings And Pensions) Act 2003 s546 in relation to priority share allocations to employees.</p>
on the cross	<p>Colloquialism for something obtained dishonestly.</p>
on the finger	<p>American colloquialism for money given on credit.</p>
on-the-job training	<p>When an employee is provided with training at the workplace.</p>
on the market	<p>In Scotland, a property is so described "when the fact that is or may become available for sale is, with a view to marketing the house, made public in Scotland by or on behalf of the seller" (Housing (Scotland) Act 2006 s119(2)).</p>
on the nail	<p>In relation to payment, immediately.</p> <p>The nail was a vessel into which, or a pillar on which, the money was placed. Such nails can still be seen outside the Corn Exchange buildings in Bristol.</p>

on the nod	(1) Form of approval without formality. (2) Description of obtaining goods on credit.
on the nose	American colloquialism for exactly on time. The term originated from the custom in broadcasting of a producer putting his finger on his nose to indicate that the production was running to schedule.
on the run	Hiding from justice. The term is particularly used for a criminal hiding from capture, and for goods that have been smuggled.
on-the-run issue	In investment, the most recently issued security or bond, that is likely to have a greater liquidity than previous issues.
on the square	Colloquialism for something obtained honestly. [The term is also used to mean being a freemason.]
onus	Burden or responsibility, such as the duty to prove something.
onus probandi	Latin: the onus of proof.
onward transfer	In relation to overseas transfer charge for pensions, "is a transfer of sums or assets held for the purpose of, or representing accrued rights under, an arrangement under a QROPS or former QROPS in relation to a member so as to become held for the purpose of, or to represent rights under, an arrangement under another QROPS in relation to that person as a member of that other QROPS" (Finance Act 2004 s244A(3) as inserted by Finance Act 2017 Sch 4 para 11).
oom	Dutch term of respect for an elderly man.
opaque	Term used by HMRC to describe transactions whose real nature is concealed from it. The term is widely used in connection with offshore funds and tax avoidance schemes.
opaquing liquid	Liquid which is used to cover text on a document. Opaquing liquids should not be used on accounting records which must always indicate what has been written and when any mistakes were corrected.
OPAS	Occupational Pensions Advisory Service, now called the Pensions Advisory Service.
OPB	Occupational Pensions Board.
OPBAS	Office for Professional Body Anti-Money Laundering Supervision.
op cit	The book previously cited.

OPEC	Organisation of Petroleum Exporting Countries. It was founded in 1960 by 11 states to control the supply and price of petroleum.
open account	Customer account where the supplier allows credit without taking security.
open cheque	Cheque which has no crossing and which may therefore be cashed by the holder. Open cheques are now very rare as they have little more security than cash.
open credit	Credit provided to customers without asking them for security.
open contract	Contract for property that specifies only the names of the parties, the identity of the property and the price. Certain obligations are then placed on the purchaser and seller to complete the transaction.
open door policy	Any policy which means that access is easily obtained. In human resources, the term applies to managers who are readily available to their staff.
open ended credit	Arrangement whereby someone may borrow money or acquire goods or services so that the total outstanding does not exceed a pre-agreed limit.
open ended investment company (OEIC)	<p>Collective investment scheme with wider scope than a unit trust.</p> <p>The investment portfolio belongs to the company that manages it. The idea is to give small investors the benefit of diversified investment and funds management. The investors hold shares in the company.</p> <p>OEICs are created under Financial Services Act 1986 s75(8). A collective investment vehicle similar to a unit trust but less restricted in where its funds may be invested.</p> <p>From 25 February 1997, OEICs are subject to these special tax advantages:</p> <ul style="list-style-type: none">• corporation tax is charged at 20% regardless of size; and• investors' gains are exempt from capital gains tax. <p>The income tax provisions are given in Income Tax (Trading and Other Income) Act 2005 s373.</p>
open ended management company	Company that sells unit trusts and similar.
open ended questions	Questions which encourage the respondent to provide their own answers and not select an answer from a selection. Such questions may be used in market research.
open end fund	Mutual fund, unit trust, OEIC or similar collective investment vehicle that does not have a fixed amount of capital.
open field	Method of farming common at the start of the 18 th century. The fields were unenclosed and divided into strips farmed by families who have several strips in different places. The system was inefficient and was slowly replaced by

enclosures.

Open Government Licence	Licensing arrangement which allows users fair use of government publications, such as free downloading of Acts of Parliament from the Internet.
opening accounts	Accounts at the start of an accounting period. The figures must be the same as the closing accounts of the previous period. Accounts for profit and loss account items, such as sales and expenses, are all opened at zero.
Opening Automated Report Service (OARS)	In investment, a service that provides information about orders sent before trading formally commences that day.
opening balance	Balance on an account at the start of an accounting period. It is the same balance as at the end of the previous accounting period.
opening balance sheet	Balance sheet as at the start of the accounting period. It is the same as at the end of the previous accounting period.
opening bell	Bell that is rung to denote commencement of the day's trading on New York Stock Exchange.
opening compliance check letter	Letter sent by HMRC to a taxpayer at the start of any form of compliance check.
opening entry	In accounting, first entry made to an account.
opening market value	In relation to occupational pension schemes, this term is defined in Finance Act 2004 s185C(2).
opening price	Price of a share or similar security at the start of a day's trading.
opening sale	In investment, a transaction where the seller of an option becomes the writer.
opening stock	Value of stock held by a business at the start of an accounting period . This figure should already be recorded in the nominal ledger . The business calculates its cost of goods sold as: cost of goods sold = opening stock + purchases – closing stock. The cost of goods sold is subtracted from turnover to give gross profit .
open interest	In investment, the net amount of outstanding open positions, long or short, in a futures or options contract.
open item statements	Statement sent to customers listing only the invoices that remain unpaid. This contrasts with statements that are simply a copy of the sales ledger that lists all invoices issued and payments received. The term has largely fallen into disuse as modern practice is always to

send open item statements, something that is easily achieved with modern accounting software.

open market

Market where anyone may buy and sell without restriction.

open market operations

Buying and selling of government securities on the financial markets. If the government sells large amounts of gilt-edged securities, this will mean a transfer of funds from the private sector to the government. This will happen as people buy securities and so have to write cheques or transfer money to the Bank of England who sold them. This means that the banks have less in the way of liquid funds available, and so they are unable to expand their loans as quickly. Selling gilt-edged securities is therefore considered to be a contractionary monetary policy.

open market option

The rule which requires a pension provider to allow a person to obtain a pension from any company, and is not restricted to taking a pension from the company where the funds were accrued.

The Financial Services Authority has found that companies can vary in their pension rates by as much as 25%, particularly for the less usual forms of annuity.

open offer

In investment, an offer made by a quoted company to its shareholders inviting them to buy new shares, usually at a lower price than current market value. It is similar in form and function to a rights issue, except that there are no rights that can be sold separately.

open outcry

Form of trading in securities, futures and other instruments where communication is by shouting and hand signals.

open position

In investment, a position that has not yet closed.

open, random and supportive (ORS)

Modern method of **management** that allows creativity at lower levels of organisations. It contrasts with **closed, selective and controlling**.

open secret

Something that is unofficially generally known.

opera

Tax relief

For the purposes of theatrical productions tax relief, this may qualify as a **dramatic production** if the conditions are met (Corporation Tax Act 2009 s1217FA(2)).

Value added tax

An opera company was held to be a non-commercial supplier of cultural services under Value Added Tax 1994 Sch 9 Group 13 Note 2(c) in the case *Loughborough Festival Opera. Ch D [2006] EWHC 40 (Ch)*.

operating activities

The principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

“The principal revenue-producing activities of the entity and other

activities that are not investing or financial activities" (FRS 102 glossary).

"Ordinary activities are any activities which are undertaken by a reporting entity as part of its business and such related activities in which the reporting entity engages in furtherance of, and incidental to, or arising from, those activities. Ordinary activities include any effects on the reporting entity of any event in the various environments in which it operates, including the political, regulatory, economic and geographical environments, irrespective of the frequency or unusual nature of the events" (FRS 102 section 5.10).

For statements of cash flow, "operating activities are the principal revenue-producing activities of the entity" (FRS 102 section 7.4). This goes on to list those activities that produces inflows and outflows.

operating and financial review (OFR)

Report that companies were once obliged to submit with their annual reports.

operating and financial review

Section of the annual report of many companies which explains the main features of the financial statements.

operating budget

Budget for income, costs and gross profit.

operating cash flow

Cash generated by the company's operations during an accounting period.

operating costing

Costing which is based on the costs of providing the services.

operating costs

For the definition of a **knowledge-intensive company** for enterprise investment scheme and other schemes, this term is defined in Income Tax Act 2007 s252A as inserted by Finance (No 2) Act 2015 Sch 5.

operating currency

In relation to foreign exchange transactions, this term is defined in Corporation Tax Act 2009 s606D.

operating cycle

Time it takes from purchase of raw material to sale of the finished product.

operating gearing

The ratio of fixed operating costs to variable operating costs.

operating lease

A specific type of lease under which ownership of the goods and any profits or losses remain with the company (the lessor) leasing the goods to us.

"A lease that does not transfer substantially all the risks and rewards incidental to ownership. A lease that is not an operating lease is a finance lease" (FRS 102 glossary).

operating leverage

Ratio of a business's fixed costs to its total costs.

Fixed costs must be paid regardless of output, so fixed costs are relatively a greater burden when output is low.

operating manual

Book which shows how to use an appliance or how to do a job.

operating margin

Operating profit as a percentage of sales.

operating profit

Profit from the trading activities, before income from non-trading activities is added and overheads are subtracted.

FRS 102 does not require separate disclosure of this item. If an entity chooses to disclose, the term is defined as the profit from **operating activities** (FRS 102 section 5.9B). The paragraph provides further information about such disclosure.

operating risk	A risk that exists where there are factors, such as a high level of fixed operating costs, which would cause profits to fluctuate through changes in operating conditions.
operating segment	<p>“An operating segment is a component of an entity:</p> <ul style="list-style-type: none">(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);(b) whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and(c) for which discrete financial information is available” <p>(FRS 102 glossary).</p>
operating statement	Financial statement which shows a business’s income and expenditure.
operating support	Contributions toward an organisation’s day-to-day, on-going expenses, such as salaries or wages, utilities, office supplies, etc.
operating system	The program that manages a computer’s resources and performs basic tasks, e.g. recognising keyboard input, sending output to the display screen or printer, managing files and directories, controlling peripheral devices, and allocating system resources to other software programs running on the computer.
operation	Activity or piece of work.
operational allowance	<p>Additional payment to members of the armed forces involved in certain theatres of military action.</p> <p>Such a payment is exempt from tax under Income Tax (Earnings And Pensions) Act 2003 s297A.</p>
operational budget	In management accounting, a budget relating to operational planning .
operational planning	In management accounting, the detailed plans by which the staff of an organisation are expected to meet the short-term objectives of the organisation or their part of it.
Operation Bernhard	Attempt by Nazi Germany in 1943 to destabilise the British economy by producing forged bank notes from £5 to £50. The attempt largely failed.
operation time	Period for an operation to complete its cycle.
operational budget	Budget for the operating activities of a business.

operational costs	Costs of running the trading activities of a business.
operational gearing	Situation where a business has high fixed costs, particularly when they are funded by borrowing.
operational planning	Planning how a business is to be run.
operational planning system (OPS)	Customs system which enables the capture of visit and risk data to inform risk analysis across all taxes and regimes.
operational research	Study of how a business works to see where any efficiencies can be made.
Operation Magnify	HMRC campaign launched in October 2015 against tax fraud in the construction industry.
Operation Maypole	Customs operation against carousel fraud .
operation of law	Where a legal right, duty or liability comes into being by a legal provision rather than by one of the parties exercising a right, such as under a contract.
operations review	Review of how a business works to see if it can be made more efficient.
operative condition	In relation to foreign currency matters, this term is defined in Corporation Tax Act 2009 s606G.
operative part	Part of an instrument that carries out the main object.
operator	(1) Person who operates a piece of equipment, particularly a machine or telephone switchboard. (2) For air passenger duty, "in relation to any aircraft, means the person having the management of the aircraft for the time being" (Finance Act 1994 s43(1)). (3) In relation to peer-to-peer lending, this term is given a specific meaning in Income Tax Act 2007 s412J and s888E(4).
operator of a collective investment scheme	In relation to corporation tax on banks, this term is defined in Corporation Tax Act 2009 s133F(5) as inserted by Finance (No 2) Act 2015 s18.
operator of the ship	For the purposes of maritime wrecks, "means the owner of the ship or any other organization or person such as the manager, or the bareboat charterer, who has assumed the responsibility for operation of the ship from the owner of the ship and who, on assuming such responsibility, has agreed to take over all duties and responsibilities established under the International Safety Management Code, as amended" (Wrecks Convention article 9).

operator removal notice	This may be issued by the Oil and Gas Authority under Energy Act 2016 s48 for non-compliance with a petroleum-related requirement.
123imil citato (op cit)	Latin: in the work cited.
opinion status enquiry	A reference given by a bank or building society to confirm a customer has run their account responsibly.
OPLR	Occupational Pensions Law Reports, a series of law reports first published in 1992.
opportunity cost of capital	The cost of capital for the best foregone investment option. So if a person or a business has an opportunity to invest money and receive a 7% return but instead invests in a new business or project, the opportunity cost of capital is 7%.
opportunity cost	<p>The cost of <i>not</i> pursuing the next best alternative.</p> <p>This method of costing is used when there is a constraint which prevents a business pursuing all alternatives. For example, if it has only sufficient manpower to do A or B, the opportunity cost of A is the profit that would have been earned by doing B, and vice versa.</p>
opportunity pricing	Exploiting a situation by raising prices such as when goods or services are in short supply or suddenly become needed.
Opposition	In politics, the party or group which is next largest to the party or group in power.
OPR	Outward Processing Relief.
OPRA	Occupational Pensions Regulatory Authority.
OpRA	Optional remuneration arrangement.
OPREC	Overpayment Recovery , HMRC computer system.
OPS	(1) Occupational pension scheme (2) Operational Planning System
OPT	Outward Processing Trade
opted-in company	A company that has passed an opting-in resolution in relation to a takeover bid and where the relevant conditions continue to apply (Companies Act 2006 s971(1)).
opted-out creditor	In relation to insolvency, this term is defined in Insolvency Act 1986 s248A.
opted-out shop worker	Worker in a shop or betting office who has served a notice of objection to Sunday working (Employment Rights Act 1996 s41).

optical character recognition (OCR)

System of stylised numbers printed in a special magnetic ink which can be read directly into a computer. Such numbers appears on cheques.

The first patent on such a system was taken out in 1929. Such equipment was developed from 1955 to read numbers on coupons. The US postal system adopted OCR in 1965.

optima est lux quae minimum relinquit arbitrio iudicis; optimus iudex qui minimum sibi

Latin: that system of law is best which confides as little as possible to the discretion of the judge; that judge the best who trusts as little as possible to himself.

optima 124imila interpres est consuetudo

Latin: custom is the best interpreter of law.

optimise

Process which yields the best possible results, such as by the most effective application of resources.

optimum

Point at which an ideal outcome is reached. The optimum tax rates, in terms of most revenue generated, is indicated by the **Laffer curve**.

optimum selling price

The price at which profit or revenue will be the greatest. This is one of the few financial uses of **calculus**.

The **law of diminishing returns** states that the higher the price charged, the fewer items will be sold. The optimum selling price aims to find the price at which either profit or (occasionally) revenue will be maximised.

optimus interpres rerum usus Latin: the best interpreter of all things is usage.

opting-in resolution

Resolution which a company may pass under Companies Act 2006 s966 in relation to a **takeover bid**.

opting out

The decision by an employee to leave or not join an occupational pension scheme or NEST provided by his/her employer.

opting-out resolution

Resolution which a company may pass under Companies Act 2006 s966(5) to revoke an **opting-in resolution**.

option

An agreement to buy or sell at a specific price at a specific date in the future.

There are basically two kinds of option: a **call option** gives its buyer the right to buy a specified number of shares at a particular price before a specified date. The opposite of a call option is a put option, which gives the buyer the right to sell a specific number of shares at a particular price within a specified time period.

In practice, call and put options are often not exercised; instead, investors buy and sell options before their expiration, trading on the rise and fall of premium prices.

In relation to **exchange gains and losses**, the term is defined in Corporation Tax Act 2009 s328F.

In relation to corporation tax relief on employee share schemes, the

term "includes any right to acquire shares" (Corporation Tax Act 2009 s1005).
For derivatives, the term is defined in Corporation Tax Act 2009 s606F.

optional information	In relation to filing a confirmation report about a company, "means information about the company or body which, but for the regulations, the company or body would not be obliged or authorised under any enactment to deliver to the registrar" (Companies Act 2006 s1084A(2)).
optional remuneration arrangement (OpRA)	<p>An arrangement whereby an employee can choose elements of his or her remuneration package, such as which benefits to have, or whether to have salary instead. These may be provided by a salary sacrifice whereby the employee gives up salary in return for a benefit.</p> <p>The law is contained in Income Tax (Earnings and Pensions) Act 2003 from s69A as inserted by Finance Act 2017 Sch 2.</p>
option arrangements	For corporation tax, arrangements that can affect the treatment of distributions. The term is defined and discussed in Corporation Tax Act 2010 s173.
option consideration	<p>Cost of acquiring an option for its grantor to sell.</p> <p>The term used in Taxation of Capital Gains Act 1992 s145 in relation to indexation allowance in determining gain on options.</p>
option contract	Right to buy shares or other security at a fixed price in the future.
option dealing	Buying and selling share options.
option mortgage	Mortgages provided before 1 April 1983 for those who did not qualify for tax relief under the rules which then applied for mortgages. The borrower received a subsidy from the government to reflect the tax relief that would otherwise have been available.
option premium	Price of an option, as paid by the buyer.
option price	Imprecise term which usually means the reference price for an option, rather than the amount paid for the option.
option pricing model	Mathematical model used to calculate the theoretical value of an option.
Options Clearing Corporation (OCC)	American body that clears option transactions for various exchanges.
option series	Specific option as defined by its underlying security, exercise price, expiry date and type.
option to pay	Principle of taxation which states that people should be able to choose whether to pay tax according to what transactions they choose to make. This principle applied to the many 19 th century excise duties and 20 th century purchase tax, where the rates were much higher on those items considered

luxuries.

This principle has now generally been replaced by the principle of **ability to pay**, though vestiges of option to pay can be found in current provisions for excise duty and VAT.

option to redeem

In investment, a provision included for certain loan notes that allow the holder the right to convert the note to cash at defined points during the life of the note. These points are often the half-yearly or quarterly points when interest payments are made.

option to tax

Charge of VAT on a supply that would normally be exempt.

It applies to certain supplies of land and buildings. If a decision to charge VAT is made, the value of the supplies when calculating the taxable turnover must be included. Option to tax is also referred to as the Election to Waive Exemption.

Details are given in Value Added Tax 1994 Sch 10.

option trading

Buying and selling options.

option writer

In investment, the person or body that is the initial seller of an option.

OR

- (1) **Ordinary residence** or ordinarily resident.
- (2) Abbreviation: operational research.
- (3) Abbreviation: Omani rial, currency of Oman.

oral declaration

Spoken statement affirming a truth.

Oral declaration supported by an inventory document may be used for Customs duty relief under the **temporary admission** procedure.

orbis terrarum

Latin: the circle of the lands. This means the whole world.

Orcadian

Pertaining to the Orkney Islands of Scotland.

orchestra

Value added tax

Body of musicians whose activities may qualify for exemption if run on a non-profit basis.

An orchestra was held not to be exempt under Value Added Tax 1994 Sch 9 Group 13 Note 2(c) when it employed a full-time managing director. (*Bournemouth Symphony Orchestra CA [2006] EWCA Civ 1281*).

Orchestra tax relief

From 1 April 2016, an orchestra may be able to claim **orchestra tax relief**. For this purpose, an orchestra is defined as 12 or more players of musical instruments, at least half of which are not electrically amplified. Brass bands, wind bands and dance bands therefore qualify as orchestras.

orchestral concert

“Means a concert by an **orchestra**, ensemble, group or band consisting wholly or mainly of instrumentalists who are the primary focus of the concert” (Corporation Tax Act 2009 s1217PA(1)).

Section 1217PA(2) says a concert does not qualify if:

- its main purpose is to advertise or promote any goods or services
- the concert comprises a contest or competition, or
- the concert is to make a commercial recording.

orchestra tax credit	Amount of surrenderable loss that may be claimed under orchestra tax relief under provisions from Corporation Tax Act 2009 from s1217RG.
orchestra tax relief (OTR)	Enhanced tax relief given to orchestras from 1 April 2016 under Corporation Tax Act 2009 from s1217P. It provides tax relief from corporation tax for certain orchestral concerts . Guidance on the relief is provided in HMRC's tax manual OTR.
orchid	Endangered plant. The importation of the plant or its products is generally prohibited under CITES convention .
order	In trade, a request for goods or services to be supplied. An order has the nature of an offer to contract.
order book	Literally, a book or register which records all orders received for supplying goods or services. Once they have been completed, they may also be recorded in the sales book . Colloquially, the term means the value of orders awaiting supply. Sometimes it is expressed as the time it will take to complete the orders. For investment, the term has a specific meaning under the SETS system introduced in 1997.
order for sale	Court order requiring property to be sold to pay a debt.
order for sale of shares	Order made by a court requiring that shares in a public company must be sold because of unlawful restrictions imposed on them (Companies Act 2006 s801).
order of discharge	In insolvency, an order that a bankrupt may obtain from the court. This releases the bankrupt from all debts other than those that arose from fraud and from certain other debts (Insolvency Act 1986 ss280-281).
Orders in Council	Orders issued by the privy council under the royal prerogative.
Orders of the Day	Items of business for the House of Commons for a particular day.
ordinal	Number that indicates sequence, such as first, second, third etc.
ordinarily resident (OR)	Tax term to describe someone who normally lives in a particular country. It requires more than just being resident, but less commitment than domicile. The matter is explained under ordinary residence .
ordinary activities	"Any activities which are undertaken by a reporting entity as part of its business and such related activities in which the reporting entity engages in furtherance of, incidental to, or arising from, these activities. Ordinary activities include the effects on the reporting entity of any event in the various

environments in which it operates, including the political, regulatory, economic and geographical environments, irrespective of the frequency or unusual nature of the events" (FRS 3 para 2).

ordinary adoption leave (OAL)

Period that an employee may take off work in respect of adopting a child (Social Security Contributions and Benefits Act 1992 s171ZK).

The period and pay are the equivalent to **ordinary maternity leave**. Where a couple adopts a child, the partner (male or female) may claim **paternity leave** and statutory paternity pay.

ordinary benefits

Benefits provided by an **community amateur sports club** which do not trigger a tax liability. The matter is discussed in the Inspectors' Manual at BIM24340.

ordinary commuting

"Means travel between —

(a) the employee's home and **permanent workplace**, or

(b) a place that is not a workplace and a permanent workplace"

(Income Tax (Earnings And Pensions) Act 2003 s338(3)).

Ordinary commuting is not a deductible expense from employment income.

ordinary contribution

The normal rate of class 2 national insurance (Social Security Contributions and Benefits Act 1992 s11), as against higher-rate contributions.

ordinary interest

Term sometimes used to describe interest calculated on the basis that there are 360 days in a year, as against **exact interest** which calculates interest on the basis of 365 days.

ordinary maternity leave

A period of (from 1 April 2007) 39 weeks for which a female employee is entitled to be absent from work. If she meets the relevant conditions, she will receive **statutory maternity pay** during this period. This is provided by Employment Rights Act 1996 s71.

ordinary overseas property business

"Means an overseas property business except so far as it is a **UK furnished holiday lettings business**" (Corporation Tax Act 2009 s748(5)).

ordinary residence (OR)

(1) Residence as seen in terms beyond mere physical presence in the UK. The term is not defined in tax statutes. It is generally abolished for tax purposes from 6 April 2013 when provisions of the **statutory residence test** come into effect.

It is habitual residence from year to year. A simple rule is that someone is ordinarily resident if present in the UK for 91 days a year over a four-year period. This is known as the **substantial and habitual visits rule** or the **91-day rule**. It is derived from the case *Lysart v CIR [1928] 13TC511*. Guidance is also provided in the leaflet HMRC 6.

Guidance is provided in the Inspectors' Manual at CBTM10020. Part of it reads: "The term "ordinarily resident" is not defined, but its established meaning is that a person is ordinarily resident if they are normally residing in the United Kingdom (apart from temporary or occasional absences), and their

residence here has been adopted voluntarily and for settled purposes as part of the regular order of their life for the time being. In considering whether a person is ordinarily resident, all the circumstances of the particular case will need to be considered.”

The consequence is that a person who is non-resident may be treated as such for income tax purpose if they are ordinarily resident. It is also relevant in areas such as social security and housing.

(2) In relation to an adult in care, the term is as defined in Care Act 2014 s39.

ordinary resolution

In company law, a decision of shareholders passed by a simple majority, that is more than half of those who voted (Companies Act 2006 s282(1)).

An ordinary resolution may be taken by a show of hands unless a ballot is required.

An ordinary resolution deals with all issues except those for which a **special resolution** or **unanimous resolution** is required.

ordinary share

Share whose holders own the company.

In company law, ordinary shares “means share other than shares that as respects dividends and capital carry a right to participate only up to a specified amount in a distribution” (Companies Act 2006 s560(1)).

In accounting, the term is defined as “an equity instrument that is subordinate to all other classes of equity instrument” (FRS 102 glossary).

In the context of distributions, tax law defines ordinary shares as “shares other than preference shares” (Corporation Tax Act 2010 s160(1)).

ordinary statutory paternity pay (OSPP)

Paternity pay for one or two weeks that may be claimed by a father or other partner of person who gives birth to or adopts a child. The entitlement is set out in Social Security Contributions and Benefits Act 1992 s171ZA.

The payment is subject to income tax (Income Tax (Earnings And Pensions) Act 2003 s660(1)).

From 6 April 2011, this term replaces **statutory paternity pay** in recognition that **additional statutory paternity pay** may be claimed from that date.

ordinary trust assets

In the context of a transfer of value by trustees linked with trustee borrowing, this term is given a specific meaning by Taxation of Capital Gains Act 1992 Sch 4B para 7(1).

ordinary UK overseas property business

“Means a UK property business except so far as it is a **UK furnished holiday lettings business**” (Corporation Tax Act 2009 s748(5)).

ordinary watercourse

“A watercourse that does not form part of a main river” (Flood and Water Management Act 2010 s6(3)).

ore

(1) Rock from which metal or other mineral may be extracted.

(2) One hundredth of the krona, currency of Sweden.

organ	For medical transplants, “means a differentiated and vital part of the human body, formed by different tissues , that maintain its structure, vascularisation and capacity to develop physiological functions with an important level of autonomy” (Directive 2003/23/EC article 3).
organic growth	Expansion of a business simply by increasing the scale of its activities, as against acquisitive growth where other businesses are acquired.
organic growth	When a business grows from re-investing its profits rather than by acquiring other businesses.
organisation	<p>General term for a business, charity or other commercial or non-commercial body.</p> <p>The term is used for some tax administration purposes. In particular, where an organisation is registered for a tax provision, it may only use that provision for activities which relate to the organisation.</p>
organisation and methods (O & M)	Process of examining how functions operate with a view to seeing how they may be made more efficient.
Organisation for Economic Co-operation and Development (OECD)	Body established in 1960 to assist member countries who get into financial difficulties.
organised securities exchange	Stock exchange where trading of listed securities takes place.
organist	<p>An organist in the Church of England has been held to be an employee of the incumbent and PCC.</p> <p>A paid organist should therefore be paid either on a PAYE payroll or using the local religious centre exemption.</p> <p>For VAT, the services of an organist are standard-rated if the organist is registered <i>and</i> the supply is made as part of a business. A VAT-registered person who plays the organ as a hobby does not charge VAT.</p> <p>For VAT, the services of an organist at a funeral are exempt. Further details are given in VAT notice 701/32.</p>
organogram	Chart explaining how an organisation is run.
original appellant	For VAT, “means the person who made the appeal to the tribunal under section 83” (Value Added Tax 1994 s85B(8)).
original book value	In relation to capital allowances and leases, this term is given a specific meaning in Capital Allowances Act 2001 s222B and subsequent sections.
original borrower	In relation to interest on peer-to-peer lending “in relation to any credit, means the person to whom the credit is originally provided” (Income Tax Act 2007 s888E as inserted by Finance Act 2017 Sch 5 para 3).

original consideration	In relation to capital allowances and leases, this term is given a specific meaning in Capital Allowances Act 2001 s222B and subsequent sections.
original contract	In relation to certain embedded derivatives, this term is given a specific meaning in Corporation Tax Act 2009 s616(7).
original gravity (OG)	<p>In relation to beer duty means the gravity of the liquid before fermentation (Alcoholic Liquor Duties Act 1979 s3(1)C).</p> <p>Customs notice 226 explains how this may be used to calculate the alcoholic strength for beer duty.</p>
original lender	In relation to interest on peer-to-peer lending “in relation to any credit, means the person who originally provides the credit” (Income Tax Act 2007 s888E as inserted by Finance Act 2017 Sch 5 para 3).
original master version	In relation to sound recordings , means “the master tape or master audio disc of the recording” (Corporation Tax Act 2009 s152(1)(b)).
original place of departure	For air passenger duty, this is as indicated on the ticket (Finance Act 1994 s43(2)).
original relevant transfer	For overseas pensions, this term is defined in Finance Act 2004 Sch 34 para 1(6B) as inserted by Finance Act 2017 Sch 4 para 2.
original right	For national insurance on share options, term used in Social Security Contributions (Share Options) Act 2001 s3.
original seen	Words attached to a copied document and signed by a person of repute who has seen the original document and confirms that the copy is accurate.
original shares	Term used in Taxation of Capital Gains Act 1992 s116 in relation to capital gains tax when there has been a reorganisation of a company or its shareholding.
original supplier	For VAT, person who supplied goods to a customer in another EU state via a third party (Value Added Tax Act 1994 s14).
originating application	<p>Process by which legal proceedings are started.</p> <p>For tax tribunal hearings, the process is set out in The Tribunal Procedure (First-tier Tribunal) (Tax Chamber) Rules SI 2009 No 273 rule 21.</p>
originating products	Products which have been ‘wholly produced’ in the European Union (EU); or products which incorporate material not wholly produced in the EU, but which has been sufficiently transformed in the EU.
origin of turnover	In accounting, geographical segment from which products or services are supplied (SSAP 25).

origin rule	Rule that determines the country of origin for the purposes of determining whether goods qualify for import preference of Customs duties.
ormolu	Alloy of copper, zinc and sometimes tin used as gold leaf.
ornamental fish	Term used in VAT notice 701/14 for tropical fish and similar. Such fish are standard-rated. They are not zero-rated as food, even when such fish are edible.
ornamental vegetable	Term used in VAT notice 701/14 to describe such products as ornamental cabbage. Such products are standard-rated if they are sold for their appearance, even if the product is edible.
oroide	Alloy of copper with zinc or tin used to imitate gold.
orphan	Child without one or both parents.
orphan stock	Stock that is largely ignored by investors.
ORR	Office of Rail Regulation.
orra	Scottish term for worthless material that is left over.
ORS	Open, random and supportive , a modern form of management .
Osborne, George	English Conservative politician (1971-) who was Chancellor of the Exchequer from 12 May 2010 to 13 July 2016, under the coalition government led by David Cameron, and under the Conservative government from 2015. He was Shadow Chancellor from 10 May 2005 to 11 May 2010.
Osborne case	Court case of 1908. Railwayman W V Osborne challenged the right of his trade union to pass part of his subscription to the Labour party. The House of Lords ruled that this was an illegal political levy. This ruling was reversed by Trade Union Act 1913.
OSHA	Occupational Safety and Health Administration.
oscillator	In technical analysis for investment, an indicator that moves up and down within a band. It indicates buy and sell signals by comparing the difference between short-term and long-term moving averages.
OSP	Occupational sick pay .
OSPP	Ordinary statutory paternity pay .
OSPRE	Objective Structured Performance Related Examination.
OSR	Overseas scale rate .

ostensible authority	Authority a person appears to have, such as when someone places goods on behalf of an organisation. Problems can arise if that person transpires not to have such authority.
ostensible partner	Person who allows his or her credit to be pledged as a partner even though he or she is not a partner. In effect, this is the same as a shadow partner . Broadly the ostensible partner has all the duties but none of the rights of a real partner.
ostler	Person who attends to horses at an inn.
ostmark	Currency of East Germany until reunification with West Germany in 1990.
Ostpolitik	Policy of West Germany to establish normal trade and diplomatic relations with Eastern Europe. This policy was largely overtaken by events from 1990.
ostrich	For VAT purposes, ostriches and their eggs are zero-rated as food from 1 April 1995. Previously they were standard rated as non-edible animals.
OT	(1) Abbreviation: overtime. (2) Prefix for HMRC's oil taxation manual.
OTA	Oil Taxation Act 1975.
OTC	(1) Operations Tariff Classification. (2) Over the counter.
other asset	This is given the specific meaning of an asset on which expenditure is incurred that has been realised from an old asset (Corporation Tax Act 2009 s754(2)).
other capital	Any form of capital employed by a business which does not come within the scope of separately listed forms of capital.
other comprehensive income (OCI)	"Items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by this FRS" (FRS 102 glossary).
other financial information	Term used in Statement of Principles for Financial Reporting to include reports about an entity which have not been prepared by the entity. Example include news reports and analysts' reports.
other long-term capital	Any form of long-term capital used in a business which does not come within the scope of a separately listed form of long-term capital.
other money purchase arrangement	A money purchase arrangement other than a cash balance arrangement An arrangement is an other money purchase arrangement where the member will be provided with money purchase benefits, and the amount that will be available to provide those benefits is calculated purely by reference to

payments made under the arrangement by or on behalf of the member. This means that in an other money purchase arrangement the capital amount available to provide benefits (the member's "pot") will derive wholly from actual contributions (or credits or transfers) made year on year.

The scheme administrator or trustees may use the payments made under the arrangement to make investments of any kind on behalf of the member (for example, cash on deposit, shares, other investment assets, a life assurance policy on the member's death). As long as the pot ultimately used to provide benefits is wholly derived from the original payments, the arrangement is an other money purchase arrangement. The subsequent investment income and any capital gains are derived from payments made under the arrangement, and they themselves become part of the member's pot.

It is a feature of other money purchase arrangements that the member bears all the investment and mortality risk. The scheme simply pays out whatever benefits the amount in the pot, including the proceeds of all the investments that have been made using the payments into the scheme, will support.

other payee	For PAYE, "means a person making relevant payments in a capacity other than employee, agency worker or pensioner" (PAYE Regulations SI 2003 No 2682 reg 2(1)).
other payer	For PAYE, "means a person making relevant payments in a capacity other than employer, agency or pension payer" (PAYE Regulations SI 2003 No 2682 reg 2(1)).
other receipts	In relation to a property business , means "(a) payments in respect of a licence to occupy or otherwise use land, (b) payments in respect of the exercise of any other right over land, and (c) rentcharges and other annual payments reserved in respect of, or charged on or issuing out of, land" (Corporation Tax Act 2009 s207(3)).
other short-term capital	Any form of short-term capital used in a business which does not come within the scope of a separately listed form of short-term capital.
other types of general purpose financial report	Term used in Statement of Principles for Financial Reporting to include such documents as the directors' report, chairman's statement, operating and financial review, historical summaries and trend information .
otiose	No longer relevant; superfluous.
otium cum dignitate	Latin: leisure with dignity. The term means a comfortable retirement.
OTR	(1) Orchestra tax relief . (2) Prefix for HMRC's tax manual on orchestra tax relief.

OTRS	Online Tax Registration Service.
OTS	Office of Thrift Supervision , US government department.
ouguiya	Currency of Mauritania.
ounce (oz)	Imperial unit of weight equal to 28.349523 grams. There are 16 ounces to a pound . An ounce was originally 473 grains of barley.
OUS	Company's unappropriated surplus at the end of a previous accounting period. The abbreviation is used in Income and Corporation Taxes Act 1988 s444AK in relation to the tax implications of mutual life assurance business.
out	Its many meanings include an unexpected difference in financial figures, such as being "out by five pounds".
outdoor relief	Term used in the 19 th century to distinguish help given to the needy while they stayed in their own homes, as against help given in the form of the workhouse. It was provided under the Poor Law Act 1601. The assistance took the form of money, food, clothing and other essentials. This relief was supposedly abolished in 1834, though in practice it continued into 20 th century.
Outer House	Part of the Court of Session in Scotland. It comprises all but eight of its judges.
outfangthief	The old right to judge and fine thieves taken outside one's jurisdiction.
outflow	Cashflow of money going out of a business or other entity.
outgoing auditor	Auditor who the company wishes to replace (Companies Act 2006 s514(1)). If the auditor does not agree to the replacement, he has the right to make representations to members of the company.
outgoing partner	Person who is leaving or has left a partnership. Such a person is not liable for any debts of the partnership which arose after he left (Partnership Act 1890 s17).
outgoing resources	Figure in SOFA for all forms of expenditure and liability.
outgoings	All expenses viewed collectively, particularly in relation to land.
outing	Term used when some personal detail is disclosed which the person does not want disclosed. Most commonly this relates to disclosure that the person is homosexual.
outlaw	Make illegal, or a person deprived of legal protection.
outlay	Money spent at the start of a business or project.

outline disclosure	<p>An admission by a taxpayer that he or she has deliberately underpaid tax.</p> <p>If such a disclosure is made under the Contractual Disclosure Facility, the taxpayer will avoid criminal proceedings.</p>
outlook	<p>View of what a person or business expects to happen.</p>
out of (an EBT)	<p>In terms of the allowability of an employee benefit trust, the issue of whether a payment was made "out of" the employer's contributions is discussed in the Inspector's Manual at BIM 44615.</p>
out of bounds	<p>Area which a person may not visit. The term is also used for a subject which may not be discussed.</p>
out of court	<p>Term used when a legal issue is settled by the parties without the need for a court hearing. The term can be used for either criminal or civil matters.</p> <p>Out of court settlements include agreement between the parties, mediated agreements, and arbitration.</p>
out-of-court disposals	<p>"An out-of-court disposal may take the place of a prosecution in court if it is an appropriate response to the offender and/or the seriousness and consequence of the offending.</p> <p>"Prosecutors must follow any relevant guidance when asked to advise on or authorise a simple caution, a conditional caution, any appropriate regulatory proceedings, a punitive or civil penalty, or other disposal. They should ensure that the appropriate evidential standard for the specific out-of-court disposal is met including, where required, a clear admission of guilt, and that the public interest would be properly served by such a disposal." (website of Crown Prosecution Service).</p>
out of date	<p>Description of something which has lost of its validity because a date or period has passed. It can apply to a fashion, idea, document, product or cheque (though the term stale is more common for a cheque).</p>
out of order	<p>(1) Not in the correct sequence. (2) Not working, as applied to a machine.</p>
out of pocket	<p>Description of someone who has not been fully compensated for expenses he has incurred.</p>
out of pocket expenses	<p>Incidental expenses incurred, such as odd items of travel or refreshment.</p>
out of the money	<p>In investment, an option or warrant with a negative intrinsic value. A common example is a call option whose exercise price is higher than the underlying security.</p>
out-of-work support	<p>Term for social security such as jobseeker's allowance and income support for the unemployed.</p>
outplacement services	<p>Services of counselling and similar to assist an employee into a new job (Corporation Tax Act 2009 s73 and Income Tax (Trading and Other Income)</p>

Act 2005 s73).

- output** The work which is done by a business in producing its goods or services.
- output per hour** Amount of work achieved in one hour.
- output tax** The VAT that is due on taxable supplies, before **input tax** has been deducted.
- output work**
- Definition*
Output work is when a worker is paid according to how has been produced rather than how many hours have been worked. Such arrangements are common in areas such as assembling items at home, cutting cloth for clothing, putting literature into envelopes, delivering newspapers and picking fruit.
- National minimum wage*
One of the four bases for determining whether **national minimum wage (NMW)** regulations have been followed.
The hourly output may be determined by either conducting a test or estimating. A test must involve either all workers involved or a representative sample. The test must be conducted in conditions similar to those the worker will enjoy. The number of units produced in an hour is known as the **mean hourly output rate**.
- Rated output work*
Compliance with the NMW requires either a record of hours worked and payment at the NMW for those hours, or a system of **rated output work**.
Rated output work applies from 1 October 2004 when it replaced the previous **fair estimate agreement**.
Rated output work requires (from 1 October 2005) the worker to be paid 120% of the NMW for the amount of work which can reasonably be done within one hour. For example, if the NMW were £6 an hour and a worker could be expected to assemble ten items in an hour, a worker must be paid at least 72p per item assembled, on the basis of $£6 \times 120\% \div 10$.
- Rules before 2005*
Between 1 October 2004 and 30 September 2005, rated output work was calculated as 100% of NMW.
Previously it was calculated as 80%.
- 137 outright gift** Gift where all rights of ownership have been given away, as against (for example) a **gift with reservation**.
- outside the scope** For VAT, activities "that are not covered by VAT law" (VAT notice 701/1).
These include supplies made by someone who is not a taxable person; those made outside the UK (other than certain international services); or those not made in the course or furtherance of business. Such supplies do not bear VAT but are not regarded as exempt or zero-rated.

outsourcing	Commercial arrangement for a function to be transferred from the organisation to someone outside.
outstanding capital	In the context of controlled foreign companies, the term “means the total value of all the capital interests in the company, less the value, as shown in the company’s accounts, of any advances made by the company to persons resident outside the United Kingdom and falling within paragraph (i) or paragraph (ii) of sub-paragraph (3)(b) above”. (Income and Corporation Taxes Act 1988 Sch 25 para 11(4)(c).
outstanding cheques	Cheques which have been issued but do not yet appear on a bank statement. This item is the total value of such cheques and is used in a bank reconciliation .
outstanding VAT	“A person has outstanding VAT for a prescribed accounting period if some or all of the VAT for which he is liable in respect of that period has not been paid by the last day on which he is required (as mentioned in subsection (1) above) to make a return for that period; and the reference in subsection (4) above to a person’s outstanding VAT for a prescribed accounting period is so much of the VAT for which he is so liable as had not been paid” (Value Added Tax 1994 s59(6)). A person is liable to a default surcharge on the amount.
outward processing relief (OPR)	System of duty relief that gives full or partial relief from import duty when European Union (EU) goods are exported outside the EU for process or repair and are subsequently re-imported.
outward processing trade	Part of a Customs procedure concerned with the temporary export of textiles to certain Eastern European countries for processing and reimport into the European Union (EU). Before exporting the goods, the exporter must obtain an Outward Processing Trade (OPT) authorisation from the relevant government department.
outward processing	A process which provides relief from Customs duty when goods are imported which were exported purely for a process such as repair or assembly.
outward processing procedure	For import duty, the procedure is governed by Taxation (Cross-border Trade) Act 2018 s36.
OV	Opening value of an individual’s rights under a pension scheme, as defined in the expression used in the formula in Finance Act 2004 s222(4).
ovem lupo committere	Latin: to entrust the sheep to the wolf.
over	(1) In conveyancing, a “gift over” or a “limitation over” is a gift or limitation that comes into effect on the determination of an estate, such as on the marriage of a beneficiary.

(2) In accounting, means "more than".

over absorbed overhead	Absorbed overhead where the budgeted figure proves to be greater than the actual figure.
over absorption	Situation where the amount of indirect costs allocated to direct costs is greater than the actual outcome justifies.
overall	Description of something which applies to the whole, such as a report on an "overall increase in profits" means that the profits of the organisation as a whole rose though there may have been declines in particular areas.
overall balance of payments	Balance of payments of a country considering all elements together. In particular, this includes looking at visible and invisible trade, and long-term and short-term trade.
overall return	Amount received from an investment from all sources less any related losses. For a share, the overall return will include both dividends received and capital gain. From this will be subtracted any dealing costs and stamp duty. The figure for overall return may be before or after tax, depending on the purpose for which it is determined.
overborrowed	Description of a person or business who has borrowed very large amounts of money relative to their assets.
overbought	In investment, description of a market whose prices have risen to an artificial high because of excessive buying.
overcapitalised	Description of a business which has more capital than it needs.
overcharge	Charge more than one should.
overcrowding	When too many people live in a dwelling. This has at various times been defined. For example, Housing Act 1936 s58 specified overcrowding as when either two people over 10 and of opposite sexes (and not being husband and wife) must share a room, or when the number of occupants exceeds a floor area stated in Sch 5 of that Act.
overcrowding notice	Notice which a local authority may serve under Housing Act 2004 s139 when it believes that a house in multiple occupation is overcrowded.
over-dependence	Risk that a business is too dependent on one customer or supplier.
overdraft	The situation when a person has withdrawn more money from his or her bank account than is in there. An overdraft is either an: <ul style="list-style-type: none">• authorised overdraft; or• unauthorised overdraft. An authorised overdraft is one agreed in advance with the bank, whereas an unauthorised overdraft is not agreed but which the bank is

prepared to tolerate. A bank has no obligation to allow an unauthorised overdraft and may **dishonour** payment rather than allow an account to become overdrawn.

Overdrafts usually attract **bank charges** in addition to **interest**. The rates for unauthorised overdrafts are often much higher, with interest rates above 20% quite common.

overdue	Description of a debt which remains unpaid even though the date by which it should have been paid has past.
overestimate	An estimate which provides a figure greater than the actual figure.
overfill tolerance	In beer duty , the maximum amount that a quantity of a large pack (usually keg or cask) may depart from the stated quantity. These tolerances are set out in Customs notice 226. They are around 1%.
overgeared	Description of a company which has high levels of borrowings relative to its assets or equity capital.
overhang	Large number of shares or amounts of a commodity which remain unsold. This has the effect of depressing the price.
overhead absorption rate	Rate at which overhead costs are added in to the direct costs.
overhead budget	Budget for the general overheads of a business, as against the budget for direct production costs.
overhead cost	Expense; cost which relate to being in business rather than to producing the goods or services. These are usually allowable against taxable profits. The main exceptions are depreciation (for which capital allowances may be claimed instead), personal expenditure, entertaining customers and fines.
overhead cost rate	In management accounting, overhead cost divided by a measure of activity, such as per unit produced or per hour worked.
overhead cost recovery	In management accounting, process which overhead costs are absorbed into the cost of a unit of production.
overheads	Another term for overhead costs .
over-hedged	Description of a financial risk for which the hedging is excessive. Where this is part of a risk transfer scheme, it may be caught by anti-avoidance provisions of Finance Act 2010 s46 and Sch 16.
over-insurance	When property is insured for more than its value. The general rule is that payment may only be made up to the value. This is specifically stated in Marine Insurance Act 1906 s32(2).

overlap period	<p>For income tax on trading, “means a period which falls within two basis periods” (Income Tax (Trading and Other Income) Act 2005 s204).</p> <p>There are special provisions that apply to overlap profit.</p>
overlapping period	<p>For group relief, the period which is common to the claim period and surrender period (Corporation Tax Act 2010 s142(1)).</p>
overlapping tax	<p>Term used in 1944/45 when PAYE was introduced. A worker could be liable to pay tax on his current earnings under PAYE and on the previous year's tax under the old system. The overlapping tax was cancelled.</p>
overlap profit	<p>Profit for a period which is covered by two basis periods for income tax.</p> <p>The profits for one of these periods qualifies for overlap relief when the business ceases.</p> <p>The term “means profit which arises in an overlap period” (Income Tax (Trading and Other Income) Act 2005 s204).</p>
overlap relief	<p><i>Income tax: trading</i></p> <p>The part of a business's first year of trading which is taxed twice. This amount may be deducted from taxable profits in the final year of trading.</p> <p>In the first year that a business trades, it is taxed on the profits actually earned in the tax year. In the second and subsequent tax year, it is taxed on the profits earned up to the accounting date in the tax year. There is usually a short period at the start of the business whose profits are taxed in each year and are therefore taxed twice. The amount of double taxation which thus arises is known as overlap relief as the two basis periods have overlapped.</p> <p>The amount of overlap relief is deducted from taxable profits in the final tax year when the business ceases. As overlap relief is not indexed or uplifted in any way, the amount may be relatively small.</p> <p><i>Capital gains tax: main residence relief</i></p> <p>Relief given under Taxation of Capital Gains Act 1992 s223(2)(a) in respect of main residence relief.</p> <p>This allows a period to be included as occupation of the residence where a person acquires a new residence before disposing of the old.</p>
overnight trade	<p>Term once used to describe a deal done while the London Stock Exchange was closed.</p>
Overpayment Recovery (OPREC)	<p>HMRC computer system that “provides IT support for the collection, recovery and accounting of overpaid amounts of child benefit” (Inspectors' Manual at DMBM100120).</p>
overpayments	<p>Overpayments from a customer kept by a trader are trading income (<i>Pertemps Recruitment Partnership Ltd v HMRC [2011] UKUT B8</i>).</p>
overreaching	<p>In law, a process whereby a purchaser of land takes the land free of any equitable interests which affected it. Instead those interests are transferred to</p>

the proceeds of sale.

overrider Commission which is paid in addition to all other commission.

overriding limit The rule that no more than 50% of gross pay may be deducted from gross pay from an employee with a K code.

The official definition is that the term "means the limit on the amount of tax to be deducted from a relevant payment, where the tax due in accordance with the appropriate tax tables in respect of any taxable payments or total taxable payments to date at the relevant date has been calculated by reference to **additional pay** or total additional pay to date, and that limit is an amount equal to 50% of the amount of the relevant payment" (PAYE Regulations SI 2003 No 2682 reg 2(1)).

overseas Appertaining to a foreign country. The word "oversea" is sometimes used as an adjective with the same meaning.

overseas arrangement For pensions, "a scheme or arrangement other than an occupational pension scheme, which will provide benefits on termination of employment, or on death or retirement. It is not an APP/APPSPH scheme and is administered wholly or primarily outside the United Kingdom (UK)" (CA 84 Stakeholders Pension Scheme Manual, published by HMRC).

overseas arrangement active membership period

This is the period beginning with the date on which the benefits first began to accrue to, or in respect of, the individual under the recognised overseas scheme arrangement or, if later, 6 April 2006 and ending immediately before the recognised overseas scheme transfer.

If benefits ceased to accrue under the recognised overseas scheme arrangement before the transfer then it is this date on which the overseas arrangement active membership period is treated as ending.

overseas branch register A register of shareholders or other members of a limited company's overseas branch. The register may be kept in the overseas territory (Companies Act 2006 s129).

The territories are basically former British territories. The overseas branch register is regarded as part of the company's **main register** which is the **register of members**.

overseas company "Means a company incorporated outside the United Kingdom" (Companies Act 2006 s1044).

overseas conference The ability to deduct such expenses from taxable profits follow the normal **wholly and exclusively** rule. How they apply to this item is discussed in the Inspectors' Manual at BIM42525.

Overseas Countries and Territories (OCT)

For customs duties, collective term for a large number of states which are treated similarly for the purposes of trade preferences.

The OCT group consists of states which are not part of the single market,

but which have historical links with various European Union member states. A complete list of the states included in the OCT group can be found in Volume 1 of the Tariff.

overseas dividend

In relation to manufactured payments means “any interest, dividend or other annual payment payable in respect of overseas securities” (Corporation Tax Act 2009 s814(2)).

overseas division

Section of an organisation which deals with other countries.

overseas freezing order

“An order:

(a) for protecting, pending its transfer to the participating country, evidence which is in the United Kingdom and may be used in any proceedings or investigation in the participating country, and

(b) in respect of which the following requirements of this section are met” (Crime (International Co-operation) Act 2003 s20(2)).

The conditions are broadly that it the order is issued by a court under its criminal law in a country which participates in these arrangements.

overseas funds

Investment funds in other countries.

overseas leasing pool

Balances of expenditure on plant and machinery for overseas leasing which is kept separate for the purposes of calculating capital allowances at a lower rate (10%) than would apply for UK leasing. Some assets are prohibited from any allowance.

The relevant law and definitions are contained in Capital Allowances Act 2001 s107.

An explanation is provided in the Inspector's Manual at CA 24200.

overseas life insurance company

In relation to taxation of insurance companies, means “an insurance company not resident in the United Kingdom but carrying on life assurance business through a branch or agency in the United Kingdom” (Income and Corporation Taxes Act 1988 s431(2)).

overseas markets

Markets in foreign countries.

overseas medical treatment

For an employee, this may be exempt from tax under Income Tax (Earnings And Pensions) Act 2003 s325.

overseas pension

Pension paid in a foreign country. Such payments are generally excluded from the personal estate subject to inheritance tax (Inheritance Tax Act 1984 s153).

Overseas Pensions Act

Pensions paid under this Act of 1973 may be exempt from income tax under Income Tax (Earnings And Pensions) Act 2003 s651.

overseas pension scheme

“Means a pension scheme (other than a registered pension scheme) which —

(a) is established in a country or territory outside the United Kingdom, and

(b) satisfies any requirements prescribed for the purposes of this

subsection by regulations made by the Board of Inland Revenue”
(Finance Act 2004 s150(7)).

HMRC provides help in helpsheet HS344.

- overseas property business** “A company’s overseas property business consists of —
(a) every business which the company carries on for generating income from land outside the United Kingdom, and
(b) every transaction which the company enters into for that purpose otherwise than in the course of such a business”
(Corporation Tax Act 2009 s206).
An identical definition for income tax is given in Income Tax (Trading and Other Income) Act 2005 s265.
- overseas relationship** In terms of civil partnerships, means an equivalent relationship which is registered outside the UK in the law of the overseas country.
- overseas scale rate (OSR)** Rate that may be used to reimburse an employee tax-free in respect of time spent overseas without the need for specific receipts. They are permitted under Income Tax (Earnings and Pensions) Act 2003 from s289A from April 2016.
- overseas scheme** For pensions, “a scheme established under irrevocable trust, or by such other means as [HMRC] may approve, and which is administered wholly or primarily outside the United Kingdom (UK)” (CA 84 Stakeholders Pension Scheme Manual, published by HMRC).
- overseas securities** “Means shares, stock or other securities issued by —
(a) a government, local authority or other public authority of a territory outside the United Kingdom, or
(b) another non-UK resident body of persons”
(Income Tax Act 2007 s567(2)).
The same definition appears in Corporation Tax Act 2009 s814(3).
- Overseas Service Act** Act of 1958 that may provide a pension for those who worked overseas.
Such a pension may be free of income tax under Income Tax (Earnings And Pensions) Act 2003 s652.
- Overseas Service Pension Fund**
Pension fund established under Overseas Aid Act 1966 s7(1).
Payments of pensions from this fund may be free of income tax under Income Tax (Earnings And Pensions) Act 2003 s653.
- overseas shares** “Means shares in a non-UK resident company” (Income Tax Act 2007 s567(1A)).
- overseas tax** In relation to manufactured payments, means “tax under the law of a territory outside the United Kingdom” (Corporation Tax Act 2009 s814(4)).
- overseas taxation** Taxation in another country. Where tax falls to be paid in two countries, it may qualify for **double taxation relief**.

overseas team	In relation to the tax exemption for the Champions League football competition, "means a football club which is not a member of the Football Association, the Scottish Football Association, the Football Association of Wales or the Irish Football Association" (Finance Act 2012 s13(6)).
Oversea Superannuation Scheme	Payment made under the Oversea Superannuation Scheme (formerly known as the Colonial Superannuation Scheme). Such a payment may be free of income tax under Income Tax (Earnings And Pensions) Act 2003 s650.
overseas transfer charge	Income tax charge made when a transfer of pension assets is made to a QROPS or an onward transfer is made, subject to conditions. The charge is 25% of the transferred value. It applies for transfers made from 9 March 2017. The legislation is Finance Act 2004 s244A as inserted by Finance Act 2017 Sch 4 para 11.
overseas visitor	For tax purposes, a description of someone who buys a boat. He normally lives outside the European Union (EU), has not been in the EU for more than 365 days in the two years before the date they buy the boat and intends to leave the EU, within six months of the date of delivery of the boat.
oversold	Term used to describe a market whose prices are 145similar145nate low because of a high level of selling.
overspend	Spending too much, particularly when the actual figure is greater than the budgeted figure.
overspill relief	Tax relief granted by Finance Act 1965 s84 for foreign tax when company moved from paying income tax to corporation tax. The relief was considered in <i>Shell Petroleum Co Ltd v Carr [1971] CA. 47 TC 25</i>
overstate	Putting an amount in the accounts which is greater than it should be.
overstock	Hold too much stock for the requirements of a business.
oversubscribed	In investment, description of a share of security where offers exceed the available shares or securities. When this happens, shares are allocated according to the provisions of the prospectus. A common provision is to scale back all offers proportionately. Sometimes smaller offers are scaled back less than larger offers.
over the counter	Description of lawful trading, as against under the counter .
over the counter market (OTC market)	Secondary market in shares which are not listed on a stock exchange.

overtime	<p>Payment for additional working by an employee.</p> <p>An employee is not entitled to payment for overtime unless the contract allows for this. If it is paid, it is sometimes paid at a premium known as time and a third, time and a half, double time etc.</p> <p>The additional payment is known as the overtime premium. This is excluded from costing in management accounting.</p> <p>The overtime premium is also ignored when determining whether a worker has been paid the national minimum wage.</p>
overtime pay	<p>Addition to an employee's normal gross pay in respect of additional hours worked.</p>
overtime premium	<p>Amount by which payment for overtime exceeds the normal rate of pay.</p>
overtrading	<p>Situation where a company increases its sales too quickly, with adverse consequences, particularly running out of cash.</p>
overvalue	<p>Ascribe a greater value than is justified.</p>
overvalued	<p>Description of a security that is trading at a higher price than is indicated by its fundamentals.</p>
overweight	<p>Description of an investment fund that holds more of an asset or share category than is appropriate.</p>
owe	<p>Be in a position where you must pay money to another person or business.</p>
owelty	<p>Legal term for equality.</p>
Owenite	<p>Disciple of Robert Owen (1771-1858) who advocated a society built on socialist co-operation.</p>
Owl	<p>Portable device which states how much electricity is being used in a building.</p>
owing	<p>Due; 146sum of money that needs to be paid.</p>
owling	<p>Old term for smuggling wool.</p>
owner	<p>Person who has legal title to land or goods though he may not have occupation or possession of them.</p> <p>For Customs purpose, owner "in relation to an aircraft, includes the operator of the aircraft" (Customs and Excise Management Act 1979 s1(1)), and owner "in relation to a pipe-line, means (except in the case of a pipe-line vested in the Crown which in pursuance of arrangements in that behalf is operated by another) the person in whom the line is vested and, in the said excepted case, means the person operating the line" (Customs and Excise Management Act 1979 s1(1)).</p>
owner-occupier	<p>Person who owns the residence in which he or she lives. Someone is an owner-occupier even if they have a mortgage or other outstanding secured</p>

loan.

owners	For accounting, “holders of instruments classified as equity ” (FRS 102 glossary).
owners' equity	Value of a company which is owned by the shareholders.
ownership	<p>Having legal title to goods rather than just physical custody. The latter is usually called possession. Ownership is a package of legal rights.</p> <p>In trusts, ownership is distinguished between legal and beneficial (or equitable). In a trust, the trustees are the legal owners, while the beneficiaries are the beneficial owners.</p>
ownership interest	The residual amount found by deducting all of the entity's liabilities from all of the entity's assets. (Also called equity interest .) For accounting, this definition is given in Statement of Principles para 4.37.
ownership of goods	For the purposes of consumer protection, this term is explained in Consumer Rights Act 2015 s4.
ownership proportion	In relation to allowance buying , this term is explained in Capital Allowances Act 2001 s212H as inserted by Finance Act 2010 s26 and Sch 4.
own resources	Customs duties and duties on agricultural products. They are not UK revenue (Inspectors' Manual at DMBM540020).
owns	<p>For the purpose of substantial shareholding, “a person owns ordinary share capital if the person owns it —</p> <ul style="list-style-type: none">(a) directly,(b) indirectly, or(c) partly directly and partly indirectly”. <p>(Transfer of Capital Gains Act 1992 Sch 7AC para 3B(2) as inserted by Finance (No 2) Act 2017 s28(2)).</p>
Oxford comma	<p>Comma placed before the word “and” to disconnect the following term from the adjective or adverb that qualifies preceding terms. So the expression “fixed plant and machinery, and loose tools” would mean that “fixed” applied to “plant” and “machinery” but not to “loose tools”.</p> <p>Although this is a common practice, it is not supported by authoritative text books on English grammar.</p> <p>For its relevance in interpreting tax law, see comma.</p>
oxgang	Anglo-Saxon imprecise measure of how much land an ox could cultivate. It was between 10 and 25 acres.
Oxonian	Pertaining to Oxford.
oyer and terminer	Old legal term for a writ issued to judges twice a year. The expression comes from the Old French meaning “to hear and determine”. The term ceased to be used from 1972.

oz	Ounce(s).
Ozalid	Trade name for an old process for duplicating documents.
ozone	Allotropic form of oxygen with the formula O ₃ , commonly formed near open electrical connections. There are financial and legal provisions in relation to protecting the ozone layer .
ozone depleting substances (ODS)	Products that may damage the ozone layer of the planet. A European Commission licence may be needed to import such products. Customs clearance cannot be obtained without such a licence.
ozone layer	Layer of ozone in the upper atmosphere which protects the planet from ultraviolet rays. There are fiscal and legal provisions to reduce products that may damage this layer.