

# R

- R**                    *National insurance*  
Normal national insurance contribution letter for ocean-going mariners.  
It applies for those who are not contracted out (before 6 April 2016), paying reduced rate or who have deferred contributions.
- Law*  
Either Rex (Latin: king) or Regina (Latin: queen).  
The term is used in many abbreviations, including the citations for criminal cases.
- Other meanings*  
(1) Old Roman numeral for 80.  
(2) Right side.  
(3) Abbreviation: Indian rupee.  
(4) Abbreviation: Nepalese rupee.  
(5) Abbreviation: rand, currency of South Africa.  
(6) Unit holder's rights, as used in formula in Corporation Tax Act 2009 s973(2).  
(7) Rate of rebate in formula in Hydrocarbon Oil Duties Act 1979 s14C(4).  
(8) Rate of enhancement in Corporation Tax Act 2009 s1200.  
(9) For capital allowance for an assured tenancy, the number of days in the whole of the relevant period of ownership (Capital Allowances Act 2001 s522).  
(10) For overseas pensions, period of pre-6 April 2017 reckonable service (Income Tax (Earnings and Pensions) Act 2003 s574A(6)(h) as inserted by Finance Act 2017 Sch 3.
- R\$**                    Abbreviation: real, currency of Brazil.
- R3**                    (1) Association of Business Recovery Professionals.  
(2) A distributed database technology company. It leads a consortium of many of the world's largest financial institutions in research and development of how **blockchain** can be used in the financial system. It was founded in 2014 and is based in New York.
- R40**                    Form to make a reclaim of tax.
- R43**                    Form for a non-resident to claim for a tax allowance or tax repayment.
- R68**                    Form to claim tax under **Gift Aid**.
- R85**                    Form once used for a non-taxpayer to receive interest from a bank or building society free of income tax.

<b>R105(AUT)</b>	Form sometimes used to show that the beneficial recipient of an investment fund is not ordinarily resident in the UK.
<b>RA</b>	(1) Recovered amount, used in the formula in PAYE regulations SI 2003 No 2682 reg 97H(5). (2) Reciprocal agreement, between UK and other state.
<b>rabbit</b>	(1) Colloquialism for a surprise announcement, such as those sometimes given by the Chancellor of the Exchequer at the end of a Budget speech. It is an allusion to the old magic trick of producing a white rabbit from a seemingly empty top hat. (2) Possible form of goodwill as a fourth category of <b>cat, dog and rat</b> .
<b>rabies</b>	Animal disease. Animals susceptible to the disease must usually be quarantined on importation. The Pet Passport scheme may be used for cats, dogs or ferrets.
<b>RAC</b>	(1) <b>Royal Automobile Club</b> , an organisation that provides breakdown and other motoring and social services for members. It can also arrange registration plates for <b>temporarily imported vehicles</b> . (2) Retirement annuity contract.
<b>race</b>	For the purposes of racial discrimination law, it means a person's "colour, race, nationality or ethnic or national origins" (Race Relations Act 1976 s3(1)).
<b>racehorse owners' scheme</b>	Special VAT scheme whereby a person or group of people may register for VAT if they own at least 50% of a horse registered at <b>Weatherbys</b> . Details are given in VAT leaflet 700/67.
<b>racehorse tax</b>	Tax charged from 1784 to 1874.
<b>race relations</b>	Laws, policies and practices designed to ensure that all races and ethnicities of people are treated equally.
<b>Rachmanism</b>	Exploitation of tenants by an unscrupulous landlord for his financial benefit. The term comes from Peter Rachman (1919-1962) who employed such methods against tenants in Notting Hill in the 1950s and 1960s. This included driving out tenants who had legal protection by violence or threats of violence. He was exposed in 1963. The Rent Act 1965 was passed to address such concerns.
<b>racial discrimination</b>	Discriminating against a person because of their colour, race, nationality or ethnic or national origin. It is generally unlawful under Race Relations Act 1976 or Equalities Act 2010.
<b>racial grounds</b>	"Any of the following grounds, namely colour, race, nationality or ethnic or national origins" (Race Relations Act 1976 s3(1)).

<b>racial group</b>	“A group of persons defined by reference to colour, race, nationality or ethnic or national origins” (Race Relations Act 1976 s3(1)).
<b>racial harassment</b>	In the context of race relations means “on grounds of race or ethnic or national origin, [engaging] in unwanted conduct which has the purpose or effect of: (a) violating that person’s dignity, or (b) creating an intimidating, hostile, degrading, humiliating or offensive environment for him” (Race Relations Act 1976 s3A(2)).
<b>racking</b>	For alcoholic liquor duty, a term given a specific meaning in Alcoholic Liquor Duties Act 1979 s16 in relation to storage of spirits.
<b>racking line</b>	For <b>beer duty</b> , collection of kegs or casks filled at the same time. It is relevant in determining quantities subject to beer duty, as explained in Customs notice 226.
<b>rack rent</b>	Legally, the annual rent that can be reasonably charged according to what it would obtain in the open market. The term has come to mean a very high rent. In relation to local authority action against insanitary housing, the term meant “rent which is not less than two-thirds of the full net annual value of the house” (Housing Act 1936 s9(4)).
<b>RAD</b>	Royal Association for Deaf People. From June 2015, RAD offers a service to assist deaf taxpayers under an agreement with HMRC.
<b>radial chord</b>	Curvature in the sides of a many-sided coin, such as the UK’s 20p, 50p and (from 2017) £1 coins. It allows the coin to roll.
<b>radian</b>	Unit of circular measure, approximately equal to 57.3 degrees.
<b>radiator</b>	For capital allowances on plant and machinery installed in a building, a water-filled radiator is specifically included within the scope of a <b>fixture</b> by Capital Allowances Act 2001 s70YI(1).
<b>radio</b>	Such equipment usually requires a licence from <b>OFCOM</b> to be imported. This licence is a condition for obtaining Customs clearance.
<b>radio licence</b>	Licence required between 1927 and 1971 to receive radio broadcasts in the UK. It is in effect a <b>hypothecated</b> tax, and was administered as a tax. The licence was originally required under Wireless Telegraphy Act 1904. The licence was in effect superseded by the television licence, first introduced in 1946.
<b>radio production</b>	<b>VAT flat rate scheme</b> Under the VAT flat rate scheme, the appropriate percentage is generally:

From	Percentage
<b>4 January 2011</b>	13%
<b>1 January 2010</b>	11.5%
<b>1 December 2008</b>	9.5%
<b>1 January 2004</b>	10.5%

- radio transmitter** Customs may seize imported radio transmitters that are not authorised for use in the UK. This includes CB radios and cordless telephones.
- raffle** Lottery for goods.
- raffle ticket** Ticket to enter a **raffle**. Typically the tickets are numbered 1 to 100 in a book with matching counterfoils. The purchaser keeps the ticket while the counterfoils are entered into a container and drawn out to allocate the prizes. Raffle tickets usually have a unique serial number in addition to the main number.
- RAG** Regulated activity group.
- rag trade** Colloquialism for the clothing industry. It has been used by HMRC in press releases.
- rag week** Week of fun activities at some universities and colleges after examinations to raise funds for charity.
- raid** Sudden attack or seizure. They may be organised by HMRC or the police when they believe that evidence may be lost if notice was given of an intended search.
- railway** Profits from this, when run as a trade, are subject to income tax (Income Tax (Trading And Other Income) Act 2005 s12) or corporation tax (Corporation Tax Act 2009 s39).  
The definition of railway is given in Railways Act 1993.  
For capital allowances, this is specifically excluded from the scope of plant and machinery (Capital Allowances Act 2001 s22(1) List B).
- railway asset** Means —  
(a) a locomotive, tram or other vehicle, or a carriage, wagon or other rolling stock designed or adapted for a railway;  
(b) anything which is, or is to be, comprised in any railway station, railway track or light maintenance depot or any apparatus which is, or is to be, installed in association with such a station, track or depot” (Capital Allowances Act 2001 s95(2)).  
Capital allowance provisions are given in Capital Allowances Act 2001 s95.
- railway business** “Means a business so far as is carried on to provide a service to the public for carrying goods or passengers by means of a railway in the United Kingdom or

the Channel Islands" (Capital Allowances Act 2001 s95(3)).

**railway station** For capital allowance purposes, a definition is given in Capital Allowances Act 2001 s95(6).

**railway track** For capital allowance purposes, a definition is given in Capital Allowances Act 2001 s95(6).

**railway transfer schemes** There are some special capital allowance provisions in Railways Act 2005 Sch 10.

**rain check** A receipt or counterfoil on a ticket, permitting the person to see an alternative event if the main event is cancelled because of rain. The term originally applied to US baseball games.

**rainy day** Figurative term for a future time of possible need.

**raise** Organise funding.

**raised print** Security device on modern Bank of England notes. If the finger is run over the words "Bank of England" the raised print can be felt.

**raison d'état** French: reason of state.

The doctrine that the national interest takes precedence over private rights.

**raj** British governance of India from 1858 to 1947.

**rake in** Colloquialism for realising or collecting money.

**rally** In investment, an increase in value, particularly after a period of decline or non-movement.

**Ramadan** Muslim month of fasting.

**Ramsay principle** Principle of tax avoidance set out in the landmark House of Lords case *WT Ramsay Ltd v Inland Revenue* [1981].

The general principle is that a pre-ordained series of transactions may be considered as one transaction where intermediate steps have no purpose other than tax avoidance. This applies even when the intermediate steps have been properly executed as separate transactions.

This principle was extended in **Furniss v Dawson**.

**rand** Currency of South Africa.

**random check** Item arbitrarily selected from a batch as a means of testing the batch.

**random number** Number arbitrarily chosen, usually from a predefined range such as between 1 and 100. It can be used in **simulation**.

<b>random walk</b>	In investment, the belief that share prices move randomly and that previous movements are therefore no indication of future movement.
<b>range</b>	(1) In mathematics and similar disciplines, numbers that lie between predetermined upper and lower numbers, such as between 201 and 300. (2) In marketing, all the products offered for sale by a business.
<b>range control services</b>	In relation to the space industry, this is defined in Space Industry Act 2018 s6.
<b>rank</b>	In insolvency, a class of debt determining the order in which it is paid relevant to other classes.
<b>rank and file</b>	Soldiers and non-commissioned officers in the armed forces, as against commissioned officers. In this context, "rank" means soldiers standing in a line at the front, and "file" means the soldiers standing behind them. The term has come to mean the general workforce up to supervisor but below management.
<b>Rank litigation</b>	The case <i>HMRC v Rank Group [2009]</i> heard in the High Court. It extended the scope of bingo duty and the VAT exemption for bingo to other areas, including mechanical bingo.
<b>ransom</b>	Sum paid for a purpose such as releasing a kidnapped employee or to buy off threats to contaminate products. All such payments are disallowed as tax-deductible expenses as <b>criminal payments</b> (Corporation Tax Act 2009 s1304). Payments to prevent such situations, such as for additional security or replacement of damaged goods, will usually be tax deductible. The matter is discussed in the Inspectors' Manual at BIM 43180.
<b>ranzel</b>	Old term in Orkney for a search for stolen goods.
<b>RAP</b>	Rupees, annas and pies, the old currency of India.
<b>rap</b>	Old slang for a counterfeit halfpenny. [The word has many other meanings.]
<b>rapacious</b>	Greedy, grasping.
<b>rape</b>	Criminal offence of forced sexual intercourse. The term can also mean plundering of goods of assets.
<b>rapid reclaim</b>	Scheme announced by the government in 2017 to allow personal independence payment (PIP) claimants to resume receiving PIPs more quickly after being overseas for 13 weeks.
<b>rapid resolution scheme</b>	Scheme proposed by government in November 2011 to provide a quick resolution to employment issues without the need for an employment tribunal.

<b>rappee</b>	Coarse snuff made from dry tobacco.
<b>rappen</b>	One hundredth of a Swiss franc, currency of Switzerland. It is also known as a centime.
<b>RAS</b>	<b>Relief at source.</b> This term is particularly used for pension tax relief.
<b>RAT</b>	<b>Rate applicable to trusts.</b>
<b>rat</b>	Element of goodwill as classified under <b>cat, dog and rat.</b>
<b>rate</b>	Figure from which an amount may be calculated. An examples is quoting a rate of so much per hour of a person's time. In insurance, it is the pricing factor upon which an insurance premium is based; it is the price for a given unit of insurance.
<b>rate applicable to trusts (RAT)</b>	Rate of income tax introduced in 2005 for taxing <b>discretionary trusts.</b> The RAT is 40% except for dividends where it is 32.5%.
<b>rate of interest</b>	Rate of interest that can be thought of as the price of money. It is the extra proportion that has to be paid when borrowing money or the extra that a saver receives when putting their money aside for the future (unless they keep it under the mattress). The level of the rate of interest is determined by the Monetary Policy Committee of the Bank of England that meets each month.
<b>rate of return</b>	Total income from an investment expressed as a percentage of the amount invested.
<b>rate of return rule</b>	Treasury management rule of thumb which states that you should invest only if the overall rate of return exceeds that available for equivalent investments in the capital markets.
<b>rate of sales</b>	Speed at which units are sold.
<b>rate of yield</b>	The amount of compensating product obtained from processing a given quantity of imported goods.
<b>rate review</b>	Used in group insurance to describe the review of premium rate at the end of a rate guarantee period.
<b>rate tart</b>	Person who freely changes from one financial supplier to another to get the best rate. The term is particularly applied to individuals who switch credit cards to take advantage of special offers. The term comes from the word "tart" meaning a woman who offers her affections freely without any long-term commitment. Rate tarring is also known as snoozing.
<b>rateable value (RV)</b>	A value placed on all non-domestic properties (businesses) on which rates have to be paid, broadly based on the rent that the property might earn, after

deducting the cost of repairs and insurance. The rateable value is determined by the Inland Revenue's Valuation Office Agency.

<b>rated</b>	In insurance, description of coverage issued at a higher rate than standard, usually due to impairment of the insured life.
<b>rated output work</b>	<p>Basis for ensuring that the <b>national minimum wage (NMW)</b> is paid for <b>output work</b>, where a person is paid according to work done rather than time spent. Examples include homeworkers who assemble items or put literature into envelopes.</p> <p>Compliance with the NMW regulations requires either a record to be kept of hours worked, or for a system of rated output work which calculates a piece rate based on 120% of the NMW for the <b>mean hourly output rate</b>, as explained in the entry for <b>output work</b>.</p>
<b>rate of depletion</b>	<p>Rate at which oil and gas is removed from a field.</p> <p>The term was particularly used in economic forecasting in 1979 and the early 1980s in terms of determining tax policy for oil revenues.</p>
<b>rates</b>	Local authority tax which was first introduced in 1694 until replaced by <b>community charge</b> (or <b>poll tax</b> ) in 1982 (1981 in Scotland), which was itself replaced by <b>council tax</b> in 1993.
<b>ratify</b>	Approve or sanction an action that has already been taken.
<b>rating agency</b>	Organisation which determines a rating, particularly of the creditworthiness of companies.
<b>rating officer</b>	Officer working for a local authority who determines the <b>rateable value</b> of a property.
<b>rating</b>	Giving something a value or an indication of its standard.
<b>ratio</b>	The proportion one number bears to another.
<b>ratio analysis</b>	Analysing accounts by using <b>accounting ratios</b> .
<b>ratio decidendi</b>	Reason for a judicial decision. It is distinguished from the <b>obiter dicta</b> which does not create a binding precedent.
<b>ratio spread</b>	Option strategy using either puts or calls. The trader purchases some options and then sells a larger number at another strike price.
<b>ratione soli</b>	Latin: by reason alone.
<b>ratio write</b>	Investment strategy in which stock is purchased and call options are written on a greater than one-for-one basis.



<b>rat race</b>	Colloquialism for seeing society as a scramble for each individual to prosper even at the expense of others.
<b>rattening</b>	Removing a person's tools to prevent them working. This was once a popular form of trade union reprisal.
<b>ravage</b>	Lay waste, destroy, pillage.
<b>RAVTPA</b>	Relevant accounting value of third party acquisitions. The term and its abbreviation are used in Corporation Tax Act 2009 s849C.
<b>raw data</b>	Information as received without any form of analysis or selection criteria being applied to it. The term is often used to refer to numbers fed into a computer.
<b>raw materials</b>	Basic materials from which goods are produced. With labour, it comprises the two elements of <b>direct costing</b> .
<b>raw tobacco</b>	"Any part of the tobacco plant (leaf, stem etc) that has been harvested from the ground but does not yet meet the definition of 'other smoking tobacco' or 'hand-rolling tobacco'" (HMRC Consultation Document on Control of Raw Tobacco. 2014).
<b>Raw Tobacco Approval Scheme (RTAS)</b>	Scheme introduced from 1 April 2017 under which anyone who intends to carry on any activity involving raw tobacco must be registered by HMRC.
<b>RBS</b>	<b>Royal Bank of Scotland.</b>
<b>RCA</b>	(1) <b>Readily convertible asset</b> (2) Root cause analysis.
<b>RCB</b>	Regulated Covered Bond sourcebook, published by the Financial Services Authority.
<b>RCH</b>	Recognised clearing house.
<b>RCPO</b>	<b>Revenue and Customs Prosecution Office.</b>
<b>RCS</b>	(1) <b>Receipts clearing system</b> , part of HMRC computer system. (2) Regulatory Capital Securities.
<b>RCTU</b>	Revenue and Customs Trade Union.
<b>RD</b>	<b>Refer to drawer.</b> Sometimes it is written as R/D.
<b>R/D</b>	<b>Refer to drawer.</b> Legend written on a cheque which a bank has not honoured. The most

common reason is insufficient funds in the account.

<b>RD\$</b>	Abbreviation: Dominican Republic peso.
<b>R&amp;D</b>	<b>Research and development.</b>
<b>RDC</b>	Regulatory Decisions Committee, of the Financial Services Authority.
<b>RDCO</b>	Registered dealer in controlled oil.
<b>RDE</b>	<b>Real world driving emissions.</b>
<b>RDE2</b>	Real driving emissions 2 standard. From 6 April 2018, company cars with diesel engines that comply with this standard are not subject to a 4% addition to the percentage rate which otherwise applies. The addition is added to the percentage taken from tables relative to carbon dioxide emissions. This is multiplied by the car's list price to give the taxable benefit to the employee.
<b>RDEC</b>	<b>(1) Research and development expenditure credit.</b> (2) In relation to corporation tax surcharge on banks, "means any amount brought into account by the company under Chapter 6A of Part 3 of CTA 2009 (trade profits: R&D expenditure credits) as a receipt in calculating the profits of a trade for the chargeable accounting period" (Corporation Tax Act 2010 s269DA(2)).
<b>RDPR</b>	Refer to drawer, please re-present. These instructions may appear on a cheque when there are insufficient funds to pay the cheque at present, but may be if the cheque is re-presented.
<b>RDRM</b>	Prefix for HMRC's tax manual on residence, domicile and remittance basis.
<b>RDS</b>	<b>Relevant discounted security.</b>
<b>RE</b>	Residual expenditure. This is used in various contexts, such as in the formula in Income Tax (Trading and Other Income) Act 2005 s171(1).
<b>re</b>	(1) About, regarding, concerning. The term is often used to name cases as an alternative to naming the parties. (2) One hundredth of a krone, currency of Denmark.
<b>REA</b>	<b>Relevant earnings amount.</b>
<b>read</b>	In relation to company documents, "a document or information can be read only if — (a) it can be read with the naked eye, or (b) to the extent that it consists of images (for example, photographs, pictures, maps, plans or drawings), it can be seen with the naked eye." (Companies Act 2006 s1168(6)).

<b>readies</b>	Colloquialism for money, particularly in the form of banknotes.
<b>readily ascertainable market value</b>	Term used in FRS 10 (now repealed) para 2 in relation to valuation of intangible assets.
<b>readily convertible asset (RCA)</b>	Asset that can easily be converted to cash, such as a gold bar or National Savings certificate. If an RCA is used to pay an employee, the RCA must be treated as gross pay and not a benefit in kind.
<b>readily identifiable</b>	Term used in relation to <b>housing benefit</b> . If someone lives in rented accommodation, they may claim benefit except for fuel charges. These are excluded at cost if they are readily identifiable from rent. Otherwise a flat rate figure is used.
<b>ready money</b>	Money in the form of banknotes and coins, ready for immediate use.
<b>real</b>	For economics and investments, the word means after allowing for inflation.
<b>real account</b>	Rare term for a ledger that lists fixed assets such as premises and machinery.
<b>real asset</b>	Fixed asset of land and buildings, as against personal assets such as furniture and vehicles.
<b>real estate</b>	Property which consists of land and buildings. For wills, the term "shall extend to manors, advowsons, messuages, lands, tithes, rents, and hereditaments whether corporeal, incorporeal or personal, and to any undivided share thereof, and to any estate, right or interest (other than a chattel interest) therein" (Wills Act 1837 s1).
<b>real estate agent</b>	Person who buys and sells land and property.
<b>real estate broker</b>	US term for an estate agent.
<b>real estate fund</b>	In relation to the taxation of derivatives, this term is given a specific meaning in Income Tax Act 2007 s809FZN(4) as inserted by Finance Act 2016 s37.
<b>real estate investment trust (REIT)</b>	Company which provides a collective investment in commercial property. From 1 January 2007, a special regime operates at the option of the company. Under the REIT scheme, the company pays an <b>entry fee</b> of 2% of the value of the property. This property is then <b>ring-fenced</b> from any other activities of the company. The property rental business of the REIT is not subject to corporation tax. However a loss made by the REIT may be offset against profits of the non-REIT business. The REIT must meet various conditions.

<b>real exchange rate</b>	<b>Exchange rate</b> that has been adjusted to allow for inflation.
<b>real GDP</b>	Level of GDP after changes in inflation have been taken into account.
<b>real interest rate</b>	Interest rate that has been adjusted to allow for inflation.
<b>real investment</b>	Purchase of tangible assets (not necessarily land and buildings) rather than buying shares or other securities.
<b>realisation</b>	Process for turning assets into cash, particularly in insolvency.
<b>realisation basis</b>	For taxation of certain securities, means "not recognising a profit or loss on any asset until it is realised" (Finance Act 2002 s65(2)). The provisions for moving to <b>mark to market</b> are given in Income Tax (Trading and Other Income) Act 2005 s236.
<b>realisation concept</b>	Accounting principle that increases in value should only be recognised when the asset is sold. UK accounting standards depart from this concept for land and buildings which should be periodically revalued.
<b>realise</b>	Process of turning an asset into cash.
<b>realised loss</b>	Loss arising from revenue which has been suffered by the entity. Further guidance for companies is contained in Companies Act 2006 s841.
<b>realised profit</b>	Profit arising from revenue which has been earned by the entity and for which there is a reasonable prospect of cash being collected in the near future. Further guidance for companies is contained in Companies Act 2006 s841.
<b>realising</b>	In finance, turning assets into cash.
<b>Really Simple Syndication (RSS)</b>	Computer system whereby a subscriber may sign up to receive regular updates or news from a source. There are many such services for tax.
<b>real property</b>	Land and buildings.
<b>real rate of return</b>	Rate of return after allowing for inflation.
<b>real return</b>	Return after allowing for inflation, and, sometimes, tax.
<b>real return after tax</b>	Rate of return after allowing for tax and inflation.
<b>real tennis</b>	A player of real tennis may retire on a personal pension at the age of 35, provided: <ul style="list-style-type: none"><li>• the person had the right by 5 April 2006,</li><li>• the right was unqualified in that it needed no other person to consent,</li></ul>

- the right was set out in the governing documentation of the pension scheme by 10 December 2003.  
(SI 2005 No 3451, as explained in the Inspector's Manual at RPSM 03106035).

**real terms** Amount expressed in terms which allow for inflation.

**real time** Where a computer reacts immediately to instructions from the user.

**real time information (RTI)** Part of the **PAYE system** introduced from 2012 that requires employers to provide a monthly breakdown on payslips.

**Real Time Information employers**

This term means all employers from 6 October 2013 (PAYE regulations SI 2003 No 2682 reg 2A(1)) unless specifically excluded by reg 2A(1)(c), plus employers for earlier periods who agreed to test Real Time Information.

**Real Time Information pension payers**

This term means all pension payers from 6 October 2013 (PAYE regulations SI 2003 No 2682 reg 2B(1)) and pension payers for earlier periods who agreed to test Real Time Information.

**real time returns** Returns made under **real time information**. The statutory provisions are given in PAYE regulations SI 2003 No 2682 from reg 67B and Schedule A1, with effect from 6 April 2012.

**real time system** Computer system which responds immediately to instructions from the user.

**realty** Land and buildings.

**real value** Value after allowing for inflation.

**real world driving emissions (RWE)**

Emissions from vehicle exhausts as measured in normal driving rather than under artificial test conditions.

The term came into use in 2015 (and can be found in Employer's Bulletin 57, for example). This follows the **vehicle emissions scandal** when some manufacturers were found to fitted defeat devices to reduce emissions under test conditions.

The EU introduced this test to replace Euro 6. It led to the retention of three percentage point supplement for diesel engine company cars for a further five years to 5 April 2021.

**re-approval** Approval for a second or subsequent time.

In tax, many existing pensions, annuity contracts and superannuation schemes were re-approved from 6 April 2006.

**rear party** Military term for part of a company that remains in the UK during a tour of overseas duty to attend to administrative matters.

<b>reasonable</b>	<p>Term widely used in contracts and other documents to mean sensible and fair.</p> <p>The term is conveniently imprecise as it thus imposes a burden on a claimant to prove that the disapproved conduct was unreasonable, which is necessarily a subjective decision.</p>
<b>reasonable assurance engagement</b>	<p>In auditing, an <b>assurance engagement</b> whose objective is “a reduction in assurance engagement risk to an acceptably low level in the circumstances of the engagement as the basis for a positive form of expression of the practitioner’s conclusion” (FRC Auditing Standards and Guidance glossary).</p>
<b>reasonable care</b>	<p>Standard expected by HMRC when submitting tax returns. Failure to exercise such care can lead to greater tax penalties.</p> <p>The following notes are provided in HMRC Notice of 12 March 2010:</p> <p>“Reasonable care varies according to the person, their circumstances and their abilities. But we expect everyone to make and keep sufficient records for them to provide a complete and accurate return, and to update them regularly.</p> <p>“Some of the ways you can show you took reasonable care, and avoid a penalty include:</p> <ul style="list-style-type: none"><li>• keeping accurate records to make sure your records are correct — see the <b>record keeping guidance</b> at <a href="http://www.hmrc.gov.uk/record-keeping/index.htm">www.hmrc.gov.uk/record-keeping/index.htm</a></li><li>• checking what the current position is when you don’t understand something.”</li></ul>
<b>reasonable care, skill and diligence</b>	<p>The qualities which a company director is expected to exercise (Companies Act 2006 s174(1)).</p> <p>This requires “the general knowledge, skill and experience that may reasonably be expected of a person carrying out the functions carried out by a director” (ibid s174(2)(a)) plus “the general knowledge, skill and experience that the director has” (ibid s174(2)(b)).</p>
<b>reasonable excuse</b>	<p>A civil penalties term used for a reasonable excuse for a default or error. This will depend upon the circumstances, and it applies only to certain types of penalties.</p>
<b>Reasonable Excuse Form</b>	<p>Document completed by a taxpayer to explain why a tax return or payment has not been made by the due date.</p>
<b>reasonable expectation</b>	<p>In a divorce settlement, the reasonable expectation of one party may influence the amount of that party’s settlement.</p>
<b>reasonable expectation of profit</b>	<p>Term used in Corporation Tax Act 2010 s49 to determine whether farming or market gardening is a trade.</p>

- reasonable price** In a consumer contract, amount a consumer is expected to pay for a service when a specific price has not been agreed (Consumer Rights Act 2015 s51).
- reasonable steps** *Value added tax*  
Term used in VAT leaflet 725 with regard to checking the VAT number of a customer in another EU member state. If the number proves to be false (as is common in tax fraud), the UK supplier can escape having to pay VAT on the supply if he can show that he took reasonable steps. These include making sure that the VAT number follows the convention for the relevant country, and not using a number that the supplier has been told is either invalid or does not belong to that customer.
- Senior accounting officer*  
Steps a person would normally be expected to take to:
- ensure awareness of all taxes and duties for which the company is liable
  - ensure that risks to tax are properly managed
  - enable various returns to be prepared with an appropriate degree of confidence. (Inspector's Manual at SAOG 24000).
- reasonable time** *Consumer protection*  
Period in which a consumer may expect a service to be provided when no specific time has been agreed (Consumer Rights Act 2015 s52).
- Trials*  
Under Article 6 of the European Court of Human Rights a person is entitled to a fair trial within a reasonable time.  
The European Court of Human Rights ruled that this provision had been breached when an Austrian taxpayer filed a complaint against the Salzburg administrative court in September 1996 over a conviction for intentional tax evasion. This complaint was not heard until September 2000. The taxpayer was awarded compensation.  
(*Geyer v Austria*. ECHR. Case 69162/01. [2005]).
- reasonable to suppose** In relation to the taxation of derivatives, an explanation of this term is given in Income Tax Act 2007 s809FZY as inserted by Finance Act 2016 s37.
- reasonably accessible document**  
Document which an employee may reasonably read while at work (Employment Rights Act 1996 s6). A **statement of changes** may be made by such a document.
- reasonably believe** Term used in connection with **bank payroll tax**. The accompanying Guidance Note states that this is "no more than what a reasonable person would believe given the facts and circumstances, having considered the proposed transactions in the round. It is a common sense test".

<b>reassess</b>	Assess again, usually either on the basis of new evidence or by another person when the original assessment is challenged.
<b>reassessment</b>	Second or subsequent assessment.
<b>rebasing relief</b>	<p>Relief introduced by Finance (No 2) Act 2017 for taxpayers who have a <b>deemed domicile</b> by being UK resident for 15 of the previous 20 years. (This test is in Income Tax Act 2007 s835BA.) The relief allows such a taxpayer to pay capital gains tax using the asset value as at 5 April 2017. The main conditions are:</p> <ul style="list-style-type: none"><li>• the taxpayer must have been born in the UK with a UK domicile of origin</li><li>• he or she must have a deemed UK domicile as explained above</li><li>• the asset must have been overseas for the period 16 March 2016 (or later acquisition) to 5 April 2017. (There are some exceptions where temporary import does not disqualify.)</li><li>• he or she must have paid the remittance basis charge for at least one tax year before 6 April 2017.</li></ul> <p>Generally, this relief only applies to assets held directly by the taxpayer, though provisions with other legislation can allow it to be claimed for nominee-held assets and partnership assets, under defined conditions.</p>
<b>rebate</b>	In the context of excise duty, a reduced rate of duty that is allowed on oils that have been put to industrial and off-road use. They are marked to show that they have been rebated. It is illegal to use rebated fuels as fuel in road vehicles.
<b>rebated fuel</b>	<p>Road fuel that bears a lower rate of excise duty than normal.</p> <p>It may only be used in excepted vehicles, mainly for farming and construction. The commonest forms are red diesel, green diesel and kerosene. It is an offence to use rebated fuel in other vehicles. HMRC may test a vehicle at the roadside.</p>
<b>rebated heavy oil activity</b>	“Means, in relation to heavy oil described in section 12(2) of the [Hydrocarbon Oil Duties Act 1979] (which includes gas oil and <b>section 12 kerosene</b> ), the use of that heavy oil as fuel for a road vehicle (falling within that section) or the taking of that heavy oil into that vehicle as fuel” (Hydrocarbon Oil Duties (Payment of Rebates) Regulations SI 1996 No 2313 reg 3(1)).
<b>rebated heavy oils</b>	<p>Usually gas oil or kerosene.</p> <p>These are heavy oils that carry a lower rate of duty than that for fully duty paid fuel such as Diesel Engine Road Vehicles (DERV); Ultra Low Sulphur Diesel (ULSD); gasoline; Liquid Petroleum Gas (LPG) or Compressed Natural Gas (CNG). There are restrictions to the uses that rebated heavy oils can be put.</p> <p>The law is Hydrocarbon Oil Duties Act 1979 s11.</p>
<b>rebated kerosene</b>	<p>Type of oil on which full excise duty has not been paid.</p> <p>The restrictions for such are given in Hydrocarbon Oil Duties Act 1979</p>



s13AA, with effect from 1 October 1996.

<b>rebated kerosene activity</b>	“Means, in relation to <b>section 13AA kerosene</b> , either of the two uses of that kerosene as fuel for engines, or the taking of that kerosene into the fuel supply of an 17imila which engines and engine fall respectively within paragraphs 5(a), (b) and (c) of section 13AA(2) of the [Hydrocarbon Oil Duties Act 1979]” (Hydrocarbon Oil Duties (Payment of Rebates) Regulations SI 1996 No 2313 reg 3(1)).
<b>rebated oil</b>	Oil which has been delivered for home use on allowance of a rebate of excise duty under the Hydrocarbon Oil Duties Act 1979, sections 11 and 14.
<b>rebated road fuel</b>	The law is contained in Hydrocarbon Oil Duties Act 1979 s12.
<b>rebate licence</b>	A licence to use rebated heavy oil as road fuel, issued by us.
<b>rebate payment person</b>	For hydrocarbon oil duty, “means subject to paragraph (3) below of this regulation, a person — (a) who applies in writing to the Commissioners for a licence authorising him to make payments in accordance with the provisions of these Regulations for the purposes of section 12(2) or section 13AA(3) and (4) of [Hydrocarbon Oil Duties Act 1979], as specified in his application, and (b) to whom a licence is issued by the Commissioners”. (Hydrocarbon Oil (Payment of Rebates) Regulations SI 1996 No 2313 reg 3(1)).
<b>rebuilding cost</b>	Cost of reconstructing a building. Typically this includes such related costs as site clearance, architect’s fees and temporary accommodation. <b>Buildings insurance</b> usually requires buildings to be insured for rebuilding cost.
<b>rebuttable presumption</b>	Something which is assumed to be true until evidence is found which suggests otherwise. Rebuttable presumptions are widely used in auditing. An audit starts with the rebuttable presumptions that the accounts have been prepared honestly but may contain mistakes.
<b>REC</b>	(1) Recognised Investments Exchange and Recognised Clearing House sourcebook, published by the Financial Services Authority. (2) <b>Recruitment and Employment Confederation.</b>
<b>recall adjudicator</b>	In relation to parole, a person so appointed under Criminal Justice Act 2003 s239A as inserted by Criminal Justice and Courts Act 2015 s8(1).
<b>recall conditions</b>	Conditions that must be satisfied for an MP to be recalled under Recall of MPs Act 2015.
<b>recall of MPs</b>	Limited provisions are provided by Recall of MPs Act 2015.
<b>recall petition</b>	Petition to recall an MP under Recall of MPs Act 2015 s1(2).

<b>recapitalisation</b>	Change in the capital structure of a company when new shares are issued to restore the value of the capital towards the amount it was previously. Recapitalisation is often undertaken by a struggling company seeking to avoid insolvency.
<b>receipt</b>	Either money received, or a document confirming that money, goods or a document have been received. HMRC does not issue receipts for tax unless specifically requested. Such request should be made in a separate letter and not on the payslip.
<b>receipt in kind</b>	When goods or services are received as payment. This turns a sale into a <b>barter</b> . For most tax purposes, the receipt must be valued and accounted for as if it were a cash payment.
<b>receipt notice</b>	Notice that HMRC may serve on a company requiring it to recalculate its tax less advantageously in certain arbitrage arrangements (Taxation (International and Other Provisions) Act 2010 ss249-254).
<b>receipt of insignificant value</b>	In the context of <b>EIS relief</b> , means a receipt of no more than £1,000 (Income Tax Act 2007 s215(2)). Such a receipt disapplies the rule in s213 which requires the relief to be reduced if the investor receives value from the investee company.
<b>receipt of royalties and licence fees</b>	Activity which excludes a company from the scope of <b>EIS relief</b> . It is defined for this purpose in Income Tax Act 2007 s195.
<b>receipt pad</b>	Pad of blank receipts. They are usually pre-numbered with a counterfoil.
<b>receipts</b>	Amounts of money received by a person or business. Income Tax (Trading And Other Income) Act 2005s27 states that a receipt for tax purpose is an item brought into account and does not necessarily mean that any money has been paid.
<b>receipts and payments</b>	Basis of preparing accounts where the accounts show only actual receipts and payments made during the period regardless of the period to which they relate. The alternative basis is accruals basis which is compulsory when a church's finance exceed defined limits.
<b>Receipts Clearing System (RCS)</b>	Part of HMRC's <b>SAFE</b> computing system.
<b>receivable</b>	Description of an amount a business expects to receive, such as from unpaid invoices sent to customers.
<b>receive</b>	In relation to anti-avoidance provisions for intellectual property, this word "means receive — (a) directly or indirectly; (b) by one payment or a series of payments" (Income Tax Act 2007 s917A(4) as inserted by Finance Act 2016 s41).

<b>received date</b>	In relation to charitable donations. the date the contribution was credited to the account by the Charitable Gift Fund for tax purposes.
<b>Receiver of Revenue</b>	South African Revenue Service.
<b>receiver</b>	Person who deals with the affairs of another person or a company who is either insolvent or suffering from mental incapacity.
<b>receivership</b>	When an insolvent company is taken over by an insolvency practitioner who may run parts of it or sell it as will generate most return.
<b>receiving agent</b>	In relation to savings income, this term is defined in Importing of Savings Income Information Regulations SI 2003 No 3297 reg 6.
<b>receiving clerk</b>	Official who works in an office where goods or payments are received.
<b>receiving education</b>	<p>In relation to universal credit, is a description of someone in full-time education, study or training.</p> <p>The general rule is that such a person may not claim universal credit, with some exceptions for disabled people and for young people without parental support.</p> <p>If a couple claims universal credit and one is receiving education, the other person may be able to claim.</p>
<b>receiving office</b>	Office which deals with goods or payments received by a business.
<b>receiving order</b>	Order from a court appointing a <b>receiver</b> to a company.
<b>recently used documents</b>	In computing, a facility whereby selection of a program automatically offers you a list of the most recently created or modified documents which used that software.
<b>reception input</b>	<p>In Customs terminology, old term for an input message that records the physical receipt of export cargo and the associated documents.</p> <p>This is now replaced by <b>New Export System</b> arrival messages.</p>
<b>recession</b>	<p>Period when there is a decline in economic activity.</p> <p>Various more formal definitions have been made, of which the generally accepted one now is two consecutive quarters of negative productivity, that is where <b>gross domestic product</b> contracts.</p>
<b>recipient</b>	<p>(1) Someone who receives goods or a payment.</p> <p>(2) In relation to data processing, "means any person to whom the [personal;] data is disclosed, whether a third party or not, but it does not include a public authority to whom disclosure is or may be made in the framework of a particular inquiry in accordance with the law" (Data Protection Act 2018 s33(5)).</p>

<b>recipient company</b>	Company that received a tax credit (Income and Corporation Taxes Act 1988 s813).
<b>reciprocal agreement</b>	Agreement between two parties where each agrees to provide similar assistance to the other. In tax, this particularly applies to international agreements on national insurance and social security, of which there are many. The statutory authority is contained in Social Security Administration Act 1992 s179.
<b>reciprocal holdings</b>	Situation where two companies each own shares in the other. This is commonly done to frustrate takeover bids.
<b>reciprocal import preference</b>	<b>Import preference</b> scheme agreed between the EU and various non-EU states which allows imports and exports between them with no Customs duty or a low rate of duty.
<b>reciprocity</b>	Arrangement where one person's conduct is dependent on and mirrors another's, such as A buying from B on condition that B buys from A.
<b>reckon</b>	Calculate, particularly by a quick and informal method.
<b>reckonable service</b>	In relation to overseas pensions, this term is defined in Income Tax (Earnings and Pensions) Act 2003 s574A(6) as inserted by Finance Act 2017 Sch 3.
<b>reckonable year</b>	For the <b>state pension</b> , a year that counts towards the 35 qualifying years needed to secure a pension under Pension Act 2014 s4(5)).
<b>reckonable zero-rated acquisition</b>	In relation to VAT on vehicles adapted for the disabled, this term is defined in Value Added Tax Act 1994 Sch 8 Group 12 Note (5T) as inserted by Finance Act 2017 Sch 7.
<b>reckonable zero-rated importation</b>	In relation to VAT on vehicles adapted for the disabled, this term is defined in Value Added Tax Act 1994 Sch 8 Group 12 Note (5T) as inserted by Finance Act 2017 Sch 7.
<b>reckonable zero-rated supply</b>	In relation to VAT on vehicles adapted for the disabled, this term is defined in Value Added Tax Act 1994 Sch 8 Group 12 Note (5T) as inserted by Finance Act 2017 Sch 7.
<b>reclaimed relief</b>	In relation to the sale of occupation income, this term is given a specific meaning by Income Tax Act 2007 s794(3).
<b>reclaim fund</b>	Fund established by a bank or building society to meet claims from individuals who are found to be the rightful owners of bank or building society accounts that have been declared <b>dormant</b> . A full definition is given in Dormant Bank and Building Society Accounts Act 2008 s5.

**reclaim fund business transfer scheme**

“A scheme is a reclaim fund business transfer scheme if, under the scheme, the whole or part of the business carried on by a **reclaim fund** is to be transferred to one or more other reclaim funds” (Financial Services and Markets Act 2000 s106A).

**recognised**

In accounting, an item is recognised when it is included by means of words and amount within the main financial statements of an entity.

For corporation tax, this is given statutory backing by Corporation Tax Act 2009 s716.

**recognised clearing house**

In the UK, a clearing house that meets the recognition requirements of the Financial Conduct Authority.

**Recognised European Economic Area (EEA) collective investment scheme**

A collective investment scheme (within the meaning given by section 235 of the Financial Services and Markets Act 2000) which is recognised by virtue of section 264 of that Act (schemes constituted in other EEA states).

**recognised futures exchange**

For a provision for corporation tax, “means the London International Financial Futures Exchange and any other futures exchange which is for the time being designated for the purposes of that Act [Taxation of Capital Gains Act 1992] by order made by the Commissioners for Her Majesty’s Revenue and Customs under section 228(6) of that Act” (Corporation Tax Act 2009 s981(3)).

**recognised investment exchange (RIE)**

An investment exchange that meets the requirements of the Financial Conduct Authority.

**recognised overseas pension scheme**

A recognised overseas pension scheme is an overseas pension scheme which is established in a country or territory mentioned in regulation 3(2) of the Pension Schemes (Categories of Country and Requirements for Recognised Overseas Schemes) Regulations 2006 – SI 2006/206. An overseas pension scheme which is not established in such a country is a recognised overseas pension scheme if it satisfies the requirements prescribed in regulation 3(4) of those regulations.

The term is defined in Finance Act 2004 s150(8).

**recognised professional body (RPB)**

For investment, a professional body that regulates its members. Examples includes the Law Society and Institute of Chartered Accountants in England and Wales.

**recognised sport governing body**

In relation to corporation tax relief for grassroots sport “is a body which is included from time to time in a list, maintained by the **National Sports Councils**, of governing bodies of sport recognised by them” (Corporation Tax Act 2010 s217C as inserted by Finance (No 2) Act 2017 s22).

<b>recognised stock exchange</b>	Stock exchanges whose valuations are accepted for various tax purposes. The current definition is given in Finance Act 2007 Sch 26.
<b>recognised transfer</b>	A transfer representing a member's accrued rights under a registered pension scheme to another registered pension scheme (or, in certain circumstances, to an insurance company) or a qualifying recognised overseas pension scheme. The tax provisions are set out in Finance Act 2004 s169.
<b>recognised UCITS</b>	For child trust funds, this term is defined in Child Trust Funds Regulations SI 2004 No 1450 reg 2(1)(c).
<b>recognition</b>	<p>In accounting, the process whereby an item is included in the accounts.</p> <p>"The process of incorporating into the statement of financial position [balance sheet] or statement of comprehensive income [profit and loss account] an item that meets the definition of an asset, liability, equity, income or expense" and satisfies the two <b>recognition criteria</b>. These are the probability of future economic benefit, and reliability of measurement (FRS 102 glossary and section 2.27).</p> <p>"The process of incorporating an item into the primary financial statements under the appropriate heading. It involves depiction of the item in words and by a monetary amount and inclusion of that amount in the statement totals" (FRS 5 para 6).</p> <p>Guidance on recognition of assets and liabilities is given in FRS 18 para 9 and FRS 5 from para 20.</p> <p>FRS 18 para 9 states "where accounting standards allow a choice over what is to be recognised, that choice is a matter of <b>accounting policy</b>".</p>
<b>recognition criteria</b>	<p>The two criteria set out in FRS 102 sections 2.27 to 2.32 for <b>recognition</b> of an item in the accounts.</p> <p>The two criteria are:</p> <ul style="list-style-type: none"><li>• <b>probability</b> of future economic benefit</li><li>• <b>reliability of measurement</b>.</li></ul>
<b>recommended medical treatment</b>	<p>Tax-free benefit that an employer may provide to an employee under Income Tax (Earnings and Pensions) Act 2003 s320C as inserted by Finance Act 2014 s12.</p> <p>The value of the tax exemption is a maximum of £500 per employee per year.</p> <p>The cost must be for <b>medical treatment</b> that is recommended either under provisions set out in Employment and Training Act 1973 s2, or under arrangements made by the employer. The treatment must be "for the purpose of assisting the employee to return to work after a period of absence due to injury or ill health" (Income Tax (Earnings and Pensions) Act 2003 s320C(3)(b)).</p>
<b>recompense</b>	Payment made to repay a sum or to compensate a person for a loss.

<b>recomputation</b>	Preparing a tax computation for a second or subsequent time because of an error or change of practice from the first computation.
<b>reconcile</b>	Process of making two figures or two accounting documents agree when they refer to the same matter. A common example is reconciling a bank statement to a cash book by listing all the cheques which have been issued but not yet paid, and similar.
<b>reconciliation</b>	In accounting, process of agreeing bank statements and similar reports to your own records.
<b>reconciliation mechanism</b>	Process for ensuring that a scheme with more than one element provides the overall objective that was intended. The term is used in Energy Act 2010 in relation to <b>fuel poverty</b> .
<b>reconciliation statement</b>	Statement explaining how two figures or two documents which refer to the same matter relate to each other.
<b>reconditioning</b>	For VAT, reconditioning goods is a service (VAT notice 700). Small components that are replaced, such as batteries, filters and oil, are not regarded as a separate supply.
<b>reconnoitre</b>	Examine with a view to launching a military operation. The term is sometimes extended to an examination with a view to any type of operation.
<b>reconstruction</b>	<p><i>Accounting</i></p> <p>In accounting, recreating accounts or figures which have otherwise been lost.</p> <p><i>Building</i></p> <p>In building, reinstating a building or turning an existing building into one of a significant different type.</p> <p><i>Capital gains tax</i></p> <p>“A scheme of merger, division or other restructuring” (Taxation of Capital Gains Act 1992 Sch 5AA para 1). The tax provisions are known as <b>scheme of reconstruction</b>.</p> <p><i>Company law</i></p> <p>In company law, where a company replaces its capital structure.</p> <p>The legal implications are set out in Companies Act 2006 from s895. A court order may be sought to facilitate reconstruction (ibid s900).</p>
<b>reconstruction and acquisition reliefs</b>	Various reliefs from stamp duty land tax in respect of the reconstruction and acquisition of companies. They are given in Finance Act 2003 Sch 7.
<b>reconversion of stock</b>	Process of turning <b>stock</b> (meaning equity capital) back into <b>ordinary shares</b> . The company law is contained in Companies Act 2006 s620.
	The right to convert shares to stock was given in Companies Act 1985 s121(2)(c). This right has now been repealed by the 2006 Act though previous

stock conversions remain legal. Reconversion of stock requires an ordinary resolution of the shareholders but no longer requires prior authority in the articles of association.

**reconveyance**

Right of a seller to have property sold back by the buyer.

Corporation Tax Act 2009 s224 contains provisions for when a lease is sold with a right to reconveyance. Similar provisions for income tax are given in Income Tax (Trading and Other Income) Act 2005 s284.

**record**

Written entry which evidences some fact, such as amount of invoices issued or cash paid.

**recorded tax**

In relation to jobseeker's allowance, this is given a specific meaning in PAYE regulations SI 2003 No 2682 s161(5).

**recorder**

Judge of a local court.

**record-keeping**

Basic financial records that must be kept for tax purposes.

Guidance for the self-employed is provided by HMRC at <http://www.hmrc.gov.uk/sa/rec-keep-self-emp.htm>.

All taxpayers are required to prepare and retain sufficient records for their tax return. This general duty is given in Taxes Management Act 1970 s12B as inserted by Finance Act 1994 s196 and Sch 19.

For companies, this requirement is explicitly given in Companies Act 2006 ss386-389.

A penalty may be imposed for failure to keep proper records. HMRC's policy for such policies is given in the Inspectors Manual at EM4650.

These provisions state what records must be kept, but generally do not specify how these records should be kept. This changes under Making Tax Digital. HMRC is given power to direct what records must be kept in electronic form under Taxes Management Act 1970 sA1 para 11 as inserted by Finance (No 2) Act 2017 s60(2).

**records**

Documents, files, ledgers and other means by which the financial details of an entity are recorded.

**recoup**

Recover, make good, indemnify, compensate. Originally the term referred to a sum that is held back from a payment.

**recoverable**

Able to be recovered, particularly an amount of money.

**recoverable amount**

In current accounting standards, "the higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use" (FRS 102 glossary).

Under previous standards, it was defined as "the greater of the net realisable value of an asset and, where appropriate, the **value in use**" (FRS 7 para 2; FRS 10 para 2).

**recoverable summarily as a civil debt**

This term is used in Taxes Management Act 1970 s65(1) to describe the procedure for recovering tax of amounts up to £2,000 in the magistrates'



court.

**recovered debt**

**Bad debt** that is paid after being written off.

Such a recovery is added to the trade income for the period in which it was recovered. Provided that the bad debt was written off properly at the time, no attempt should be made to reverse the write off in a previous accounting period.

The matter is discussed in the Inspectors' Manual at BIM 42730.

For VAT, a recovered debt is added to turnover and output tax if **bad debt relief** has been claimed.

**recovery**

(1) In finance, getting back an asset or amount of money.

(2) In economics, when the situation improves after a period of bad performance.

(3) In personnel, when a person is returned to normal health and ability to work after a period of illness or similar.

**recovery charge**

Income tax charge of 55% in relation to pensions.

**recovery condition**

One of two conditions that a **universal credit** claimant must satisfy to receive a **budgeting advance**. The condition is that the DWP is satisfied that the claimant is able to repay the advance.

The other condition is the **earnings condition**.

**recovery of benefit order**

Order made under Social Security Administration Act 1992 s101 to recover the cost of providing benefit from the person who should have been paying child maintenance.

The tax treatment is set out in Income Tax Act 2007 s456.

**recovery plan**

Plan made by a business to recover from adverse trading or financial position.

For financial institutions, the Financial Services Authority has certain powers and duties as set out in Financial Services and Markets Act 2000 s139B.

**recovery provisions**

Provisions that allow tax relief to be retrospectively denied.

The main recovery provisions are Taxes Management Act 1970 Sch 1AB and Finance Act 1998 Sch 18.

This term is so defined in Capital Allowances Act 2001 s70H(3).

**recovery shares**

In investment, shares that have fallen in value but are considered likely to rise again.

**recreant**

Old term for a person who yields to pressure in a trial.

**recreational benefits**

Such benefits provided by an employer may be exempt from tax under Income Tax (Earnings And Pensions) Act 2003 s261.

**recreational trust**

Trust that provides recreation or other leisure-time activities.

Such trusts may be regarded as charitable (Charities Act 2011 s5).

<b>recruiting ground</b>	Any area or equivalent means from which people may be recruited.
<b>recruitment</b>	Process of finding and engaging suitable people to work for an organisation.
<b>Recruitment and Employment Confederation (REC)</b>	Professional body of the UK recruitment industry.
<b>rectification</b>	<p>In contract law, when the parties or a court clarifies what the parties meant by a particular expression in a contract. Extrinsic evidence may be used.</p> <p>In inheritance tax, the term is used when the court corrects a faulty <b>deed of variation</b> to give effect to what the beneficiaries intended. This must be supported by adequate evidence.</p> <p>In law, correction of a <b>mistake</b> in a document by the court (Supreme Court Act 1981 s61(1) and Sch 1).</p>
<b>rectification of register</b>	<p>Power to correct the register of companies in respect of any material invalidly entered or which is factually inaccurate (Companies Act 2006 s1095).</p> <p>This may be done under administrative powers or on an order of the court.</p>
<b>rectification rights</b>	In relation to data processing, the right of a <b>data subject</b> to have inaccurate or incomplete personal data corrected under Data Protection Act 2018 s46.
<b>rectifier</b>	"May not distill or extract feints or spirits from any other material than spirits on which duty has been duly paid" (Alcoholic Liquor Duties Act 1979 s21). A rectifier is severely restricted on what other trades he may follow (ibid s24).
<b>rectifier's licence</b>	Licence which is required for compounding or rectifying spirits (Alcoholic Liquor Duties Act 1979 s18).
<b>recto</b>	Right-hand page in an open book. The plural is rectos. The left-hand page is verso.
<b>rector</b>	Term with various uses relating to being a governor. The term is particularly used for certain clergy and head teachers, particularly in Scotland.
<b>recuperation</b>	Period of recovery, particularly after surgery or certain other medical treatments. Provided the recuperation is medically necessary, it may be taken as absence by an employee as sick leave. Statutory sick pay is paid, provided the other conditions are met.
<b>recurrent</b>	Something which happens repeatedly.
<b>recurring decimal</b>	A number or combination of numbers that endlessly repeat after a decimal point, such as one third being 0.33333 etc.
<b>recurring payments</b>	Payments which are made regularly, such as rent or mortgage payments.
<b>recyclate</b>	Valuable elements extracted from recycled waste.

<b>recycle</b>	Use again, such as when rubbish is sorted so that the materials may be reused.
<b>recycle bin</b>	In computing, an area where deleted items are stored, allowing for their retrieval before finally deleting.
<b>recycled pension</b>	<p>When a <b>pension lump sum</b> is used to fund a new private pension scheme. This is possible and legal for members aged between 55 and 74. However, from 6 April 2006, tax relief for the new scheme may be restricted if all five of these conditions are met:</p> <ul style="list-style-type: none"><li>(a) a pension lump sum is received;</li><li>(b) because of this lump sum, contributions are made to another pension plan which are significantly larger than would otherwise be the case;</li><li>(c) the re-cycling was pre-planned;</li><li>(d) the amount of the <b>pension commencement lump sum</b> when added to any other such sums taken in the previous 12 months exceed 1% of the current <b>lifetime allowance</b>; and</li><li>(e) the pension commencement lump sum exceeds 30% of the cumulative amount of additional contributions.</li></ul> <p>For (b) and (c), HMRC has issued guidelines which basically say these conditions are met if a person departs from their usual pattern of pension funding.</p> <p>For (d), the lifetime allowance increases each year. Suppose for one year this allowance was £2 million. 1% is £20,000, so if the lump sum is below this figure, these provisions need not be considered.</p> <p>Condition (e) is best explained with an example. Suppose a man has a second pension fund of £100,000 and receives a lump sum of £120,000 from his first pension fund. He pays this into his second pension fund with £80,000 from other savings. The second pension fund is now worth £300,000. Condition (e) is triggered because the additional contributions of £120,000 exceed 30% of £200,000.</p>
<b>Red Book</b>	<p><b>Budget book</b> published on the day of The Budget given by the Chancellor of the Exchequer.</p> <p>It sets out a statement on the national economy, and summarises proposals for tax and other matters announced in the Budget. Between 1999 and 2010, the book had a white cover with red printing.</p>
<b>redbrick</b>	Description of all universities except Oxford and Cambridge.
<b>REDCENT</b>	Accounting Centre for Registered Excise Dealers and Shippers – the accounting centre processes records of all payments of excise duty made under the Registered Excise Dealers and Shippers (REDS) system and holds registration records of all registered traders.
<b>red channel</b>	<p>Customs term for the exit at a port or airport that should be used by a traveller from outside the European Union who:</p> <ul style="list-style-type: none"><li>• has goods or cash that need to be declared to Customs, or</li><li>• has commercial goods, or</li></ul>

- where the traveller is not sure whether goods need to be declared.

<b>Redcliffe-Maud Commission</b>	Government commission that published a report in 1969 on reform of local authorities, such as by reducing their number and changing the basis of their financing.
<b>reddendo singular singulis</b>	Latin: giving each to each. A means of interpreting legal provisions in a will.
<b>reddendum</b>	In law, a reserving clause in a lease.
<b>redder</b>	Old term for a person who separates quarrelling parties.
<b>red diesel</b>	Diesel oil which has been marked with a red dye. Such diesel attracts a lower rate of <b>hydrocarbon oil duty</b> but its use is restricted.
<b>redditus</b>	Latin: <b>rent</b> .
<b>redeem</b>	Give back in return for what was originally provided, such as redeeming goods which have been pawned, or redeeming a preference share for cash.
<b>redeemable</b>	Description of an item which may be turned into something else, such as loan note or preference share being redeemed for cash, or a preferred share being redeemed for an ordinary share.
<b>redeemable government stock</b>	Government stock which may be redeemed for cash at any time. In the UK, only war loan is so redeemable.
<b>redeemable preference share</b>	Preference share which the company must buy back at an agreed time for an agreed price.
<b>redeemable security</b>	Security which can be redeemed for its face value at a specified date.
<b>redeemable shares</b>	Shares that a company may elect to buy back. The conditions are set out in Companies Act 2006 Chapter 3 starting at s684.
<b>redemption</b>	(1) Early payment of a loan. particularly a mortgage. Redemption sometimes incurs a charge or redemption fee. (2) Process of buying back redeemable <b>preference shares</b> , or indeed any redeemable financial instrument.
<b>redemption amounts</b>	Amount that would be redeemed on a financial policy if the policy holder held the assets for their full term to their redemption date.
<b>redemption date</b>	Date on which a loan or security or other item may be redeemed.
<b>redemptioner</b>	Old term for an immigrant who was obliged to repay his passage money by deduction from wages.

<b>redemption fees</b>	Fee for redeeming a financial instrument. Such fees are particularly imposed by a mutual fund to discourage the disposal of shares after a short period.
<b>redemption penalty</b>	Fee which may be payable if someone wants to end a financial arrangement early, such as paying off a mortgage before the agreed date. The fee may be calculated as a certain number of months' interest, or it may be a percentage of the loan. Some lenders only charge a penalty for a period covered by a special deal. Others may charge a fee for several years afterwards.
<b>redemption price</b>	Price at which a bond or other financial instrument may be redeemed by its issuer. It is sometimes known as the call price.
<b>redemption value</b>	Value of a security when it is redeemed.
<b>redemption yield</b>	An estimate of the total long term returns, including income and capital, on fixed income investments like corporate bonds and gilts.
<b>redenominate</b>	In relation to shares means to "convert shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency" (Companies Act 2006 s622(1)).
<b>redenomination</b>	Changing the currency or nominal value of an asset or liability. Companies Act 2006 ss623-628 contains provisions relating to the redenomination of ordinary shares. In particular, a company's share capital may not be reduced by more than 10% (ibid s626(4)).
<b>redenomination reserve</b>	Capital reserve that a company must create when its share capital is reduced by a <b>redenomination</b> of share values (Companies Act 2006 s628).
<b>red eye</b>	American slang for cheap whisky.
<b>re-distillation</b>	Process sometimes applied to wines, <b>feints</b> or <b>spirits</b> . There are no restrictions on a distiller doing this other than to keep appropriate records as set out in Customs notice 39.
<b>redistribution</b>	Collection of funds or goods on one basis for distribution on another basis. The national insurance and social security schemes can be considered as a single redistribution scheme of wealth.
<b>red judge</b>	High Court judge. The term comes from the red robes worn, as against the purple robes worn by junior circuit judges.
<b>red letter day</b>	Important day. Such days were traditionally marked with red characters on a calendar.
<b>red point</b>	Place in a port or airport where a person bringing in dutiable goods may speak to a customs office by telephone. In the case <i>Mark Bowes [2017] TC 6163</i> , it was suggested that goods could not be said to have been smuggled into the UK until a person has either

spoken to a customs officer or passed the red point.

<b>red point phone</b>	Telephone in the <b>red channel</b> of a port or airport that may be used by a traveller to the UK to speak to a Customs officer about whether goods or cash need to be declared.
<b>redraft</b>	Revised draft or copy of a document, particularly for a bill of exchange which the holder of a protested bill draws on the drawer or endorsers for the payment of the bill with extra charges and costs.
<b>redress</b>	Any action or payment which is designed to address an abuse or injury.
<b>redress interest</b>	Interest paid on compensation payments. The term was particularly used for compensation payments for missold payment protection insurance premiums.
<b>redress scheme</b>	Term used in NHS Redress Act 2006 s1 with regards to a scheme to avoid civil litigation in complaints against the NHS.
<b>REDS</b>	Registered Excise Dealers and Shippers. These are revenue traders who are approved and registered by HM Revenue & Customs to obtain excise goods commercially from other European Union (EU) countries.
<b>red tape</b>	Bureaucracy, particularly that which interferes with ordinary activities. The term comes from the red ribbon traditionally used for tying legal documents.
<b>reduce</b>	Move to a lower number, amount of quantity. In relation to restrictions on the annual allowance for tax relief on pension contributions, "reduce includes reduce to nil" (Finance Act 2004 s228ZB(6) as inserted by Finance (No 2) Act 2015 Sch 4.
<b>reduced allotment</b>	When an allocation of shares is scaled back because it was oversubscribed.
<b>reduced payment</b>	In an annuity, a payment which is significantly less than an earlier payment under the same annuity. This may make the annuity a <b>steep-reduction annuity</b> , for which there are special tax provisions (Income and Corporation Taxes Act 1988 s437A).
<b>reduced pollution certificate (RPC)</b>	Certificate that a vehicle first registered before 1 October 2001 meets the exhaust emission standard that exempts it from paying the charge for the <b>Low Emission Zone</b> .
<b>reduced rate</b>	Any rate which is below a standard rate. The term is particularly used for: <ul style="list-style-type: none"><li>• the 5% rate of VAT for specific items; and</li><li>• the rate of <b>national minimum wage</b> for workers aged between 18 and 21.</li></ul> The law on reduced rate is contained in Value Added Tax Act 1994 s29A. The list of categories is in <i>ibid</i> Sch 7A.

**reduced-rate acquisition** Acquisition subject to the reduced rate of VAT (Value Added Tax 1994 s88(8)).

**reduced rate schedule** Value Added Tax Act 1994 Sch 7A which lists those supplies where VAT is charged at the reduced rate of 5%.

**reduced-rate supply** Supply subject to the reduced rate of VAT (Value Added Tax 1994 s88(8)).

**reducing balance method** Method of calculating depreciation where each year's figure is calculated as a percentage of *the previous year's* net balance, as against the more common **straight line method** where each year is calculated as a percentage of the original cost. Under the reducing balance method, an asset never reaches a value of zero.

For example, an asset costing £10,000 and written off over ten years on the straight line method would simply have £1,000 charged to profit and loss account each year and be worth nothing after ten years.

If depreciated on the reducing balance method, the figures are:

Year	Start value	Depreciation	End value
	£	£	£
<b>1</b>	10,000	1,000	9,000
<b>2</b>	9,000	900	8,100
<b>3</b>	8,100	810	7,290
<b>4</b>	7,290	729	6,561
<b>5</b>	6,561	656	5,905
<b>6</b>	5,905	591	5,314
<b>7</b>	5,314	531	4,783
<b>8</b>	4,783	478	4,305
<b>9</b>	4,305	431	3,874
<b>10</b>	3,874	387	3,487

**reducing instalment method** Another term for the **reducing balance method** of determining depreciation.

**reduction** Making a figure lower, such as reducing a price.

**reduction in company's unappropriated surplus** Term used in Income and Corporation Taxes Act 1988 s444AF in relation to the taxation of an insurance company when there has been a transfer of annuity business.

**reduction in rank** Punishment in armed forces or police of reducing a person's rank.

**reduction of benefit** Loss of all or some social security benefit because of non-compliance by the claimant with a requirement.

For **universal credit**, the provisions for such reduction are set out in Welfare Reform Act 2012 from s26.

**reduction of share capital** Reduction in the share capital of a limited company.

Under Companies Act 2006 s641(1), this requires:

- a **special resolution** for a private company limited by shares,

- a **special resolution** and confirmation by a court in all other cases.

<b>redundancy</b>	Dismissal of an employee because their work is no longer needed. There are legal consequences.
<b>redundancy pay</b>	<p>Amount an employer is required to pay an employee who has been made redundant.</p> <p>Statutory redundancy pay is paid at so many weeks' pay according to length of service.</p> <p>For income tax, redundancy pay is always free of income tax (Income Tax (Earnings And Pensions) Act 2003 s309) and national insurance. This applies regardless of whether the redundancy pay is statutory or contractual. However not all payments called redundancy pay will necessarily be so regarded by HMRC.</p> <p>Redundancy pay is not taxable, but must be included to see if the £30,000 limit for <b>termination payments</b> has been reached.</p> <p>Generally normal redundancy payments are tax deductible from the employer's profits. There are some exceptions are discussed in the Inspectors' Manual at BIM38385.</p>
<b>redundancy payments</b>	Amounts paid by an employer as <b>redundancy pay</b> . It is generally deductible from taxable profits (Corporation Tax Act 2009 s76 and Income Tax (Trading and Other Income) Act 2005 s76).
<b>redundancy protection insurance</b>	Insurance that continues to meet mortgage payments, usually for a limited period, if you are made redundant.
<b>redundancy rebate</b>	Payment made to a business as compensation for the redundancy pay paid by the business.
<b>REE</b>	In relation to residence nil rate band for inheritance tax, the residential enhancement of a property as defined in Inheritance Tax Act 1984 s8M(6) as inserted by Finance (No 2) Act 2015 s9.
<b>re-engagement order</b>	An order made by an employment tribunal or other body requiring an employer to re-engage an unfairly dismissed employee on equivalent terms. An employer cannot be forced to comply with the order, but will have to pay compensation if he or she does not.
<b>re-entry</b>	Repossession by a landlord of land held under a lease when the landlord exercises his power of forfeiture.
<b>re-examination</b>	Court procedure of a witness being questioned a second time by the said that called him or her to give evidence.
<b>reference</b>	In employment law, a statement by a previous employer concerning a job applicant.



**re-export** Export of goods that have been imported.

**reference period** *Statutory residence*

Term given a specific meaning for the **statutory residence test**.

It means the number 365 (or 366 for a leap year) from which is deducted the number of **disregarded days**, days of gaps between employment, and some other days.

The reference period is used in the third automatic overseas residence test.

*Oil and gas companies*

This term is given a specific meaning in Corporation Tax Act 2010 from s332G.

**reference price** In options, the price at which an **option** may be exercised.

**referendum**

National vote on a specific issue that is conducted on a similar basis to a general election. Such a referendum is either held in the whole UK or in part of the UK.

Although there is no official constitutional position, politicians have suggested that a referendum is a means to settle an issue for a generation.

The UK has had these referendums, showing the percentage that voted in favour:

- 8 March 1973 (Northern Ireland): that Northern Ireland should remain part of UK: 98.9%
- 5 June 1975 (UK): that UK should remain in the European Community: 67.2%
- 1 March 1979 (Scotland): whether Scotland should have its own Assembly: 51.6% but lost because less than 40% of electorate voted yes
- 1 March 1979 (Wales): whether Wales should have its own Assembly: 20.3%
- 11 September 1997 (Scotland): whether Scotland should have its own Parliament: 74.3%
- 18 September 1997 (Wales): whether Wales should have a devolved Assembly: 50.3%
- 7 May 1998 (Greater London): creation of Assembly and mayor of London: 72.0%
- 22 May 1998 (Northern Ireland): Good Friday agreement: 71.1%
- 4 November 2004 (North East England): whether to establish a regional assembly: 22.1%
- 3 March 2011 (Wales): whether the Assembly should have law-making powers: 63.5%
- 5 May 2011 (UK): whether to use alternative vote system for electing MPs: 32.1%
- 18 September 2014 (Scotland): whether Scotland should remain part of the UK: 44.7%
- 23 June 2016 (UK): whether the UK should leave the European Union: 51.9%.

<b>referendum condition</b>	Provision in European Union Act 2011 s2(2) that any change to a European Treaty must be the subject of a <b>referendum</b> if it comes with the scope set out in <i>ibid</i> s4.
<b>Referendum Party</b>	Political party formed by Sir James Goldsmith (1933-97) in 1994 for the sole issue of having a referendum on whether the UK should remain in the European Union. The party ceased to be active from 1997, when that cause was taken over by UKIP. Such a referendum was finally held in 2016.
<b>referential bid</b>	Bid that refers to amounts in other bids. Such a bid is invalid. In the case <i>Harvela Investments Ltd v Royal Trust Co of Canada Ltd [1985]</i> a bidder offered "2,100,000 dollars or 100,000 dollars in excess of any other offer". The House of Lords pointed out that if two or more bidders had made referential bids, it would be impossible to accept either.
<b>referential settlement</b>	Settlement that incorporates terms of a reference from a previous settlement.
<b>referral of vision impairment (RVI)</b>	Referral from an eye hospital or clinic to an ophthalmologist. It can be an early stage in a person being registered as blind.
<b>refer to drawer (RD)</b>	Expression written on a cheque that has been dishonoured, usually because there are insufficient funds to pay the amount.
<b>refinery</b>	Premises approved by the Commissioners for the treatment of oil (Hydrocarbon Oil Duties Act s27). There are also special provisions for oil used in refineries (Hydrocarbon Oil Duties Act 1979 s19A).
<b>reformado</b>	Dismissed soldier, soldier whose company has been disbanded, or a soldier who is without a position for any other reason.
<b>Reform Treaty</b>	Original name of the <b>Lisbon Treaty</b> .
<b>refresher</b>	Fee paid to a barrister for attending a court hearing. It is additional to the fee originally marked on the brief.
<b>refreshing memory</b>	In law, rule of evidence which states that a witness may refresh his memory by referring to a written note which either he prepared or which someone else has prepared and he has adopted as his own. An example is when a policeman consults his notebook or a committee member consults the minutes.
<b>refrigeration</b>	For VAT, a supply of refrigeration is treated as a supply of goods (Value Added Tax Act 1994 Sch 4 para 3). As such, supplies for residential use are generally reduced-rated under <i>ibid</i> Sch 7A Group 1, but standard-rated for other supplies. Details are given in VAT notice 701/19.
<b>refrigeration equipment</b>	For VAT on <b>charity funded equipment</b> , "includes all cooling and freezing equipment, whether designed for industrial, domestic or any other purpose"

(VAT notice 701/6).

**refrigerator**

**Customs**

The importation may require a European Commission Licence if the product contains an environmentally harmful substance. Customs clearance for importation requires such a licence.

**Capital allowance**

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

**refund**

Give back money.

**Refund Directive**

EC Directive 2008/9 that deals with refunds of VAT by one EU member state to another according to place of supply rules.

**Refund of excess contributions lump sum**

A lump sum benefit paid to a member of a registered pension scheme because they have contributed more to the scheme than they are entitled to tax relief on, and which meets the conditions of paragraph 6, Schedule 29 to the Finance Act 2004.

**refute**

Means to provide evidence against an untruth. If someone merely contradicts a statement without evidence, they have not refuted the statement or allegation, they have simply denied it.

**regency**

Arrangement by which the functions of a sovereign may be discharged by a regency if the sovereign is under eighteen or suffers total incapacity.

The current law is Regency Act 1937 as amended by Regency Act 1943. These Acts also contain some other limited powers of delegation.

**Regina**

The Queen. The word is sometimes used in criminal law citations, denoting that the prosecution is in the name of the monarch.

**Regional Development Agency (RDA)**

Non-departmental public body that promotes the economy in the nine regions of England. There are equivalent bodies for other parts of the UK. It is planned to abolish RDAs in 2012.

**regional development grant (RDG)**

Grant that could be made under Industrial Development Act 1982 until 31 March 1988.

The accounting treatment depends on the purpose of the grant. If for a piece of capital equipment, the grant may reduce the capital cost. In general, the tax treatment follows the accounting treatment unless specific legislation states otherwise.

From 26 March 1980, interest relief grants and financial assistance grants made under sections 7 and 8 of the Act were made subject to tax.

Provisions for the oil industry are given in Corporation Tax Act 2010 ss289-290.

**Regional Growth Fund**

A fund introduced by the coalition government in 2010.

“It supports projects and programmes that lever private sector investment creating economic growth and sustainable employment. It aims particularly to help those areas and communities currently dependent on the public sector to make the transition to sustainable private sector-led growth and prosperity” (BIS website).

**regional organised crime unit (ROCU)**

Local branch of the **National Crime Agency**.

**regional secondary contributions holiday for new businesses**

Term used in National Insurance Contributions Act 2011 s4 for the **national insurance holiday** introduced in 2010 for new businesses in defined regions.

**register**

Record or official list. Company law requires companies to keep registers of directors and shareholders, among others. There are also publicly kept registers such as of VAT-registered businesses, land ownership etc.

**register alert**

In computing, a system whereby a person or organisation automatically sends out alerts when there is a development in which the recipient has registered an interest.

**register books**

In canon law, the books that record baptisms, burials, weddings and confirmations. For the Church of England, the law is contained in Canon F11.

**registered auditor**

Accountant who is allowed to audit accounts.

**registered cheque**

Cheque issued by a bank on its own account for the benefit of a customer who does not have a bank account.

**registered company**

Company which has been registered at Companies House.

**registered design**

Design registered at the Designs Registry and which gives monopoly rights over that design.

**Registered Export Scheme (REX)**

For Customs purposes, new scheme for exporters planned for introduction in January 2017 (Customs notice 830).

**registered factory**

For tobacco duty, place at which tobacco products are manufactured. Factory premises must be registered under regulation 4 of The Tobacco Products Regulations 2001.

**registered friendly society**

Body whose tax provisions are set out in Income and Corporation Taxes Act 1988 s460-466.

<b>registered items service</b>	<p>“Means a service of conveying postal packets from one place to another by post which provides —</p> <p>(a) for the registration of the packets in connection with their conveyance by post, and</p> <p>(b) for the payment of an amount determined by the person providing the service in the event of the theft or loss of or damage to the packets” (Postal Services Act 2011 s32(4)).</p>
<b>registered land</b>	Land that is registered under Land Registration Acts 1925 to 1986.
<b>registered medical practitioner</b>	“Means a fully registered person within the meaning of the Medical Act 1983 who holds a licence to practise under that Act” (Interpretation Act 1978 Sch 1).
<b>registered number</b>	<b>Company's registered number.</b>
<b>registered office</b>	Address to which all communications of a company must be sent. Every company must have such an address (Companies Act 2006 s86).
<b>registered office clause</b>	Clause in the <b>memorandum of association</b> of a company, stating where its <b>registered office</b> is to be in England, Scotland or elsewhere.
<b>registered owner</b>	A person who has been authorised and registered by HM Revenue & Customs to deposit their duty-suspended goods in an excise warehouse.
<b>registered pension scheme</b>	<p>Pension scheme which has either been registered by the HMRC (or its predecessor body Inland Revenue), or by acquiring registered status through being an approved pension scheme on 5 April 2006. It is registered under Chapter 2 of Part 4 of the Finance Act 2004.</p> <p>From 6 April 2007, a pension scheme is approved by the Financial Services Authority under Financial Services and Markets Act 2000. There is no change in the consequence of registration.</p> <p>The tax advantages of a registered scheme are set out in the Inspectors' Manual at RPSM02103010 thus:</p> <ul style="list-style-type: none"><li>• contribution by members are tax-relieved to the higher of £3,600 and 10% of earnings (subject to lifetime allowance and annual allowance),</li><li>• for <b>defined benefit</b> schemes, increases in benefits are within the annual allowance,</li><li>• employers may make contributions,</li><li>• investment income earned by the fund is free of income tax,</li><li>• investment gains are free of capital gains tax,</li><li>• <b>lump sum benefits</b> are free of tax up to a limit,</li><li>• some life assurance may be provided as a tax-free benefit.</li></ul> <p>Before 1997, there was also the significant tax advantage that a pension fund could reclaim tax on dividends received.</p>
<b>registered person</b>	An individual or other legal body that is registered for a particular purpose, particularly an individual, firm or company that is registered for VAT under the

terms of the Value Added Tax Act 1994.

**registered security** Security, such as a share or debenture, which a company has registered at Companies House.

**registered social landlord (RSL)** Housing association or other not-for-profit body that provides social housing for people in need. Any profits earned are ploughed back into providing further housing or improving existing stock. They are regulated by Housing and Regeneration Act 2008.  
From 1 January 2000, short-term tenancy agreements made by RSLs may be exempt from stamp duty.

**registered society** **Friendly society** that is mutual and not incorporated (Taxation of Capital Gains Act 1992 s217A).

**registered sports club** A club so registered under Corporation Tax Act 2010 Part 13 Chapter 9.  
Such a club cannot be a registered charity (Charities Act 2011 s6).

**registered store** For tobacco goods, premises registered under regulation 5 of The Tobacco Products Regulations 2001 for the safe storage of tobacco products without payment of duty.

**registered trade mark symbol** The symbol shown below which may be placed by a word indicating that it is a trade name and not an ordinary English word.



Many trade marks have become household words. Examples include biro, fibreglass, hoover, and Rolls-Royce. Care must always be exercised when using a trade name even in ordinary usage.

**register of approved persons** Register kept by HMRC from 2015 of alcohol wholesalers (Alcoholic Liquor Duties Act 1979 s88D).

**register of charges** Register kept at Companies House of all charges reported by companies (Companies Act 2006 s869).  
In addition, every company must keep its own register (ibid s876).

**register of common land** Register which must be kept under Commons Act 2006 s1(a).

**register of companies** List of companies kept by Companies House.

**register of directors** List of directors which every company is obliged to keep (Companies Act 2006 s162(1)).

<b>register of floating charges</b>	Register that must be kept in Scotland by the Keeper of the Registers of Scotland under Bankruptcy and Diligence etc (Scotland) Act 2007 s37.
<b>register of interests</b>	Record that a <b>public company</b> must keep of all information received by it in relation to interests in its shares other than ownership (Companies Act 2006 s808).
<b>register of judgments and orders etc</b>	Register required under Courts Act 2003 s98 to be kept of all judgments from the High Court and county courts.
<b>register of launches</b>	Register of launches into space that must be kept under Space Industry Act 2018 s61.
<b>register of members</b>	List of shareholders or guarantors which a limited company must keep under Companies Act 2006 ss113-121. If there are more than 50 members, the company must also keep an index of members (ibid s115).
<b>register of occupational and personal pension schemes</b>	Register compiled and maintained by the <b>Pensions Regulator</b> under Pensions Act 2004 s59.
<b>register of prohibited trustees</b>	Register kept by the <b>Pensions Regulator</b> under Pensions Act 2004 s66 of persons who are prohibited from being pension fund trustees.
<b>Register Plus</b>	Former name for the <b>European Patent Register</b> .
<b>registrable</b>	Liable to be registered. For VAT, the term is defined in Value Added Tax 1994 Sch 1 para 18.
<b>registrant</b>	In USA, a company applying to be registered with the Securities and Exchange Commission.
<b>registrant discount</b>	Discount on shares that may be offered to subscribers in a share issue. If offered to employees, the position is explained in Income Tax (Earnings And Pensions) Act 2003 s547.
<b>registrar</b>	Person who keeps official records and registers. For companies, this includes the person who administers the register of shareholders.
<b>Registrar of Companies</b>	An official authorised by the government to maintain a record of all annual reports and other documents issued by a company. The position is currently exists under Companies Act 2006 s1060.
<b>registration</b>	Act of registering, getting included on an official list.
<b>registration as citizen</b>	Process by which a person may formally acquire British citizenship. This may be cited as evidence of <b>domicile</b> .

<b>registration certificate</b>	Document which shows that something has been registered, particularly document V5 which shows that a vehicle has been registered to a particular keeper.
<b>registration fee</b>	Charge made to cover the cost of registering for something, such as being entered on an official register or to book a place at a conference.
<b>registration limit</b>	Figure of annual turnover above which an organisation must register for VAT.
<b>registration mark</b>	Legal term for a <b>number plate</b> on a car.
<b>registration number</b>	Unique number issued to a person who has registered for something. It also refers to the combination of letters and numbers shown on a motor vehicle's number plate.
<b>registration of birth</b>	Registration of the <b>birth</b> under Births and Deaths Registration Act 1963. The baby's name, sex, date of birth and names of parents must be registered within 42 days. Copies of the entry may be obtained as a <b>birth certificate</b> .
<b>registration of death</b>	Registration of the <b>death</b> under Births and Deaths Registration Act 1963. The registration must give the name, sex, address and occupation of the deceased. It must state the place and cause of death. Registration should usually be made within five days. A copy of the entry may be obtained as a <b>death certificate</b> .
<b>registration of enforcement of security</b>	Register kept at Companies House of all appointments of a receiver or manager of a company (Companies Act 2006 s871).
<b>registration of marriage</b>	Registration of a <b>marriage</b> . Every <b>marriage</b> in the UK must be registered. For marriages in England this is governed by Marriage Act 1949 ss53-67. The registration must be either by a Church of England churchman or by a registrar.
<b>registration statement</b>	Document which gives information about a registration, particularly the document issued by Companies House to a newly registered company.
<b>registration threshold</b>	For VAT, the amount of annual turnover above which a business must register. The amount is reviewed each year in the Budget. A business must register if its turnover has exceeded the threshold in the previous 12 months or if it reasonably believes it will be exceeded in the next 30 days.
<b>Registry Trust</b>	Where insolvencies are recorded.
<b>regium donum</b>	Latin: royal gift, particularly the annual grant paid by the monarch to Presbyterian ministers in Ulster at various times between 1670 and 1871.
<b>Regius professor</b>	At Oxford and Cambridge Universities, a person who holds a professorship established by Henry VIII, and some subsequent foundations.



At some Scottish universities, a professorship established by the Crown.

<b>regnal year</b>	Year of a monarch's reign. This was the traditional method for dating Acts of Parliament.
<b>regrating</b>	Buying corn or other produce in a market and then selling it as a means of increasing its price.
<b>regressive tax</b>	<p>Tax that takes a smaller proportion of a income as income rises. In other words it is a tax that hits less well-off people harder than the better-off.</p> <p>An example of a regressive tax is the television licence. It is exactly the same amount for everyone, which makes it a much smaller proportion of a large income than a small one.</p>
<b>Regulae Generales</b>	Latin: General Rules, particularly of the Supreme Court.
<b>regular</b>	Happening at fixed intervals, such as once a week. The term should not be used to mean "frequent".
<b>regular cost</b>	In pension valuation, consistent on-going cost recognised under the <b>actuarial method</b> (SSAP 24).
<b>regular forces</b>	"The Royal Navy, the Royal Marines, the regular army or the Royal Air Force" (Armed Forces Act 2006 s374).
<b>regular income</b>	Income received at fixed intervals, such as wages, royalties, dividends etc.
<b>Regular Reserve</b>	Name given to what was the Army Reserve. The name change is effected by Defence Reform Act 2014 s44(1).
<b>regulate</b>	Provide a measure of control by requiring compliance with rules and, often, by the need to have a licence.
<b>regulated activity</b>	<p><b>Finance</b></p> <p>Activities that are regulated by Financial Services and Markets Act 2000 s22. The same definition is extended to company law by Companies Act 2006 s1173(1)).</p> <p><b>Human resources</b></p> <p>Activity whose nature can mean that a relationship of trust can develop between a person and either a child or vulnerable adult. There are special regulatory provisions for people engaged in such activity (Safeguarding Vulnerable Groups Act 2006). Other activity between such persons is called a <b>controlled activity</b>.</p>
<b>regulated agreement</b>	Consumer agreement with the scope of Consumer Credit Acts and which is not specifically exempted by them.

<b>regulated consumer credit agreement</b>	Agreement which is regulated by provisions of Consumer Credit Act 1974.
<b>regulated insurer</b>	Term used in relation to the bank levy, for which purposes it is defined in Finance Act 2011 Sch 19 para 13(4).
<b>regulated market</b>	<p>Term used in EC directive 2004/39/EC article 4.1(14).</p> <p>It is quoted in Corporation Tax Act 2010 s1158 in relation to <b>investment trusts</b>.</p> <p>The same definition is extended to company law by Companies Act 2006 s1173(1), except where the EEA state has not implement the Directive. In such case, the term "has the same meaning as it has in Council Directive 93/22/EEC on investment services in the securities field" (Companies Act 2006 s1173(2)).</p>
<b>regulated mortgage</b>	Legal mortgage that usually predates 8 December 1965 and is subject to a regulated tenancy binding on the mortgagee.
<b>regulated payment</b>	Payment from the Social Fund to meet one of four specific categories of need.
<b>regulated work</b>	<p>Work for which an employee needs a certificate from the <b>Disclosure and Barring Service</b>. Generally fees paid or reimbursed by an employer do not comprise a taxable benefit in kind.</p> <p>Regulated work is work with children or vulnerable adults, such as working in a school or care home, or holding a particular position in such an organisation.</p>
<b>Regulations</b>	In accounting standards, "the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).
<b>regulations</b>	Rules designed to provide a measure of control or protection in a particular area.
<b>Regulation S-X</b>	Rule of the US Securities and Exchange Commission which regulates the contents of annual reports from companies.
<b>regulator</b>	Official whose job is to enforce regulations.
<b>regulatory body</b>	Organisation whose task is to oversee operations in a defined area.
<b>regulatory powers</b>	Powers given to a <b>regulatory body</b> to enforce compliance with regulations in a particular area.
<b>regulatory provision</b>	In relation to the <b>business impact target</b> , this term is defined in Small Business, Enterprise and Employment Act 2015 s22(3).
<b>Regulatory Reform Order</b>	<p>Common name for the Statutory Instrument whose full title is The Regulatory Reform (Collaboration etc between Ombudsmen) Order SI 2007 No 1889.</p> <p>It allows ombudsmen to work together on a case which comes within different jurisdictions, if the complainant agrees.</p>

<b>regulus</b>	Impure metal produced during smelting.
<b>rehabilitation</b>	<p>Process to allow people who have served sentences to resume normal life in society.</p> <p>The main law is the Rehabilitation of Offenders Act 1974. The law has been amended several times, most recently from 10 March 2014.</p> <p>The Act introduces the concept of spent and unspent convictions. All sentences of up to four years imprisonment become spent after a rehabilitation period. That means that the person may be allowed not to disclose the sentence for such purposes as employment, insurance, housing applications and attending educational courses. A conviction becomes spent if the person has not offended again during the rehabilitation period. A prison sentence of four or more years is never spent. A <b>public protection sentence</b> is also never spent.</p> <p>There are some exceptions where spent sentences must be disclosed. These are listed in the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975.</p>
<b>Rehabilitation of Offenders Act 1974</b>	<p>Act that allows sentences of less than four years imprisonment to become spent after a <b>rehabilitation period</b>, provided the person did not reoffend during that period. The object is to allow people with convictions to be rehabilitated and not have their lives blighted by, perhaps, a youthful indiscretion.</p>
<b>rehabilitation period</b>	Period after sentencing, after which a sentence is regarded as spent under <b>rehabilitation</b> laws, provided the person has not offended again in that period.
<b>rehearing</b>	Second hearing of a case on which a court has already pronounced. An example is an appeal.
<b>rehearsal money</b>	Sums paid to performers while they are rehearsing a production. If the performers are employees, they are entitled to payment as such. Self-employed principals are often not paid rehearsal money, but this is a matter for negotiation and the contract.
<b>Rehoboam</b>	Champagne bottle with a capacity of six standard bottles.
<b>reimburse</b>	Pay back money to someone who has incurred an expense for someone else.
<b>reimbursement</b>	<p>Money given to someone who has incurred an expense on someone else's behalf.</p> <p>The tax implications of reimbursement of employees' expenses is set out in Income Tax (Earnings And Pensions) Act 2003 s334.</p>
<b>reimbursement arrangements</b>	Arrangements to reimburse customers amount of overcharged VAT (Value Added Tax 1994 s80A(2)).

<b>reimbursement payment</b>	In relation to corporation tax on oil companies' decommissioning, "means any payment made to the contributing company by the defaulter in reimbursing the contributing company in respect of, or otherwise making good to the contributing company, the whole or any part of the relevant contribution" (Corporation Tax Act 2010 s298A(10)).
<b>reimbursement scheme</b>	Scheme used to refund customers any money they may have overpaid such as VAT.
<b>re infecta</b>	Latin: without finishing the business.
<b>reinflation</b>	In economics, inflation that generates further inflation rather than stimulating the economy.
<b>reinforcement ring</b>	Adhesive ring of paper which can be attached round punched holes to avoid them tearing.
<b>reinstatement order</b>	Order made by an employment tribunal or other body requiring an employer to give an employee back the job from which he or she was unfairly dismissed. For all purposes, the employee is then regarded as if he or she had never been dismissed but had enjoyed continuous employment. An employer cannot be forced to comply with such an order, but faces a claim for compensation if he or she does not.
<b>reinsurance</b>	The practice whereby one insurer transfers part or all of the risk it has accepted to another insurer (the reinsurer). The term "includes retrocession" (Income and Corporation Taxes Act 1988 s431(2)).
<b>reinsurance contract</b>	In accounting, "an insurance contract issued by one issuer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant" (FRS 102 glossary).
<b>reinsurance treaty</b>	In relation to taxation of annuity business "means a contract under which one insurance company is obliged to cede, and another (in this paragraph referred to as a "reinsurer") to accept, the whole or part of a risk of a class or description to which the contract relates" (Finance Act 1991 Sch7 para 16(7)).
<b>reinsurer</b>	Insurance company that accepts a risk under a <b>reinsurance treaty</b> .
<b>reinvest</b>	Invest the proceeds from another investment.
<b>reinvestment</b>	Investing the proceeds realised from a previous investment.
<b>REIT</b>	<b>Real estate investment trust.</b>
<b>rejected import</b>	Goods that an importer rejects after Customs duty and any VAT has been paid. The procedure is largely based on the credit note received from the supplier.

<b>rejection of offer</b>	Refusal by an offeree to accept an offer. This has the effect of preventing a <b>contract</b> being created. Once an offer is rejected, the offeree cannot subsequently accept.
<b>rejoinder</b>	Pleading served by a defendant in answer to a <b>claimant's</b> (or plaintiff's) reply. A rejoinder usually requires the consent of the court to be accepted as evidence.
<b>related 51% group company</b>	In relation to corporation tax on oil companies, this term is defined in Corporation Tax Act 2010 s279F.
<b>related arrangement</b>	Any form of agreement which is subsidiary to another. In company law, the term is used to describe such a relationship to a credit transaction between a company and one of its directors. Such an arrangement may require members' approval under Companies Act 2006 s203.
<b>related base unit</b>	In relation to the reduced rate of VAT for a child's <b>safety seat</b> , means "a base unit which is designed solely for the purpose of attaching a safety seat securely in a road vehicle by means of anchorages that form part of the base unit and which, when in use on a road vehicle, can be restrained in one or more of the following ways — (a) by a seat belt fitted in the vehicle, or (b) by permanent anchorage points in the vehicle, or (c) by belts attached to permanent anchorage points in the vehicle" (Value Added Tax 1994 Sch 7A Group 5 para 2A as inserted by SI 2009 N 1359 from 1 July 2009.)
<b>related company</b>	Company in which another company has an interest, usually by holding shares.
<b>related employments</b>	Two or more employments that are treated as being one employment for determining whether a person is in <b>lower-paid employment</b> . The provisions are set out in Income Tax (Earnings And Pensions) Act 2003 s220.
<b>related parties</b>	For the purposes of <b>related party disclosure</b> , means where either one party controls or influences another, or where they are both under control. This is set out in detail in FRS 8 para 2.5.
<b>related party</b>	Person or business with which another person or business has a family or business connection. FRS 102 glossary provides a detailed summary, which includes two entities where one owns the other, or where both are owned by the same person or people.
<b>related party transaction</b>	Financial transaction between two connected bodies, particularly between a person and a body of which that person is a director or holder of a similar position. The definition in the current accounting standard is "a transfer of resources, services or obligations between a reporting entity and a related

party, regardless of whether a price is charged" (FRS 102 glossary).

A definition in previous accounting standards is "the transfer of assets or liabilities or the performance of services by, to or for a **related party** irrespective of whether a price is charged" (FRS 8 para 2.6).

**related person**

For residence nil rate band for inheritance tax, this is given a specific meaning in Inheritance Tax Act 1984 s8G as inserted by Finance (No 2) Act 2015 s9.

**related property**

For inheritance tax, "related property is property that is in the estate of a spouse or civil partner, or belonging to a charity of one of the political, national or public bodies to which exempt transfers may be made. There are special rules for valuing related property" (HMRC inheritance tax glossary).

**related settlements**

Where a **settlor** sets up a trust, any other trusts set up on the same day.

"For the purposes of this Chapter two settlements are related if and only if —

(a) the settlor is the same in each case, and

(b) they commenced on the same day"

(Inheritance Tax Act 1984 s62(1)). The rest of the section qualifies this definition.

**related supplies**

For VAT, supplies that in truth are part of a single supply. Related supplies may be treated as a single supply in relation to **anti-forestalling provisions** for a future increase in VAT.

**related third party**

With regard to form P11D for PAYE, "means a person making payments or providing benefits to an employee, if the making or provision of the payments or benefits by that person has been arranged, guaranteed or in any way facilitated by the employer" (PAYE regulations SI 2003 No 2682 s86(4)).

**related wheeled framework**

In relation to the reduced rate of VAT for child **safety seats**, this term is defined in Value Added Tax 1994 Sch 7A Group 5 para 3.

**relate to the same debts**

In relation to HMRC's power to seize funds in a taxpayer's bank account without court approval, this term is given a specific meaning in Finance (No 2) Act 2015 Sch 8 para 4(5).

**relationship banking**

A form of **microfinance** where people borrow and lend between themselves on the basis of trust from knowing the other parties. Examples include the credit union and hawala.

**relationship breakdown**

Divorce, separation or other event that causes two people to stop living together, whether married or not.

Where the arrangements following such breakdown include the creation of a **fixed interest trust**, it may be taxed under the more generous rules that applied before 22 March 2006.

**relative**

Person to whom someone is related.

Many tax and other provisions have specific provisions regarding "relatives", the exact scope of which depends on the context.

The narrowest context comprises “ancestor, lineal descendant, brother or sister” (Income Tax (Earnings And Pensions) Act 2003 s61(6) and Taxation of Capital Gains Act 1992 s286).

In other contexts, relatives are more inclusive. For example, Inheritance Tax Act 1984 s270 adds uncles, aunts, nieces and nephews.

**relative bargaining power**

The extent to which two parties to an agreement have equal power over the other.

For an arm's length contract, it is assumed that the power is approximately equal. Employment law and consumer law gives statutory rights to employees and consumers to address perceived inequality in bargaining power.

Relative bargaining power was considered in the **Autoclenz** decision in determining whether a worker was an employee for tax purposes.

**relative error**

Difference between an estimate and the actual figure.

**relative poverty**

Being financially disadvantaged against one's peer group. In practice, this is often defined as having household income below 60% of the median average. This contrasts with **absolute poverty**.

“A child falls within this section in a financial year if the child lives in a household whose equivalised net income for the year is less than 60% of median equivalised net household income for the year.” (Child Poverty (Scotland) Act 2017 s3.)

**release**

(1) Setting a person or business free from an obligation or restriction.  
(2) Issue of a computer program. Such releases are often indicated by two numbers such as Program 3.7, where the 3 indicates that this is the third major version of the program, while the 7 indicates that the original (Program 3.1) has now been tweaked six times to make minor improvements or corrections.

**released debt**

Debt that is discharged by a **composition** between the debtor and creditor. An example is where the creditor accepts a lower sum to secure a payment in circumstances where otherwise nothing would be received.

The amount discharged is usually a tax-deductible expense for the creditor on the same basis as a **bad debt**.

For the creditor, the amount released is regarded as trading income, except when (from 30 November 1993) it is part of certain formal arrangements under insolvency law.

The matter is discussed in the Inspectors' Manual at BIM 42740.

**release debt**

“In relation to a company, means a debit in respect of a release by the company of a liability under a creditor relationship of the company” (Corporation Tax Act 2009 s476(1)).

**release for free circulation (RFC)**

The commonest (by far) **Customs procedure** when goods are presented to Customs on importation.

RFC means that the goods may be freely used in the UK by the importer

having paid the appropriate Customs duties.

- release note** A computer printout, or manual equivalent, for a consignment of goods which has been given Customs release.
- release of goods** Term used when Customs allow an importer free access to imported goods having ensured that this is the appropriate **Customs procedure** and that all relevant duties have been paid.
- release** Allow the removal of goods or a person.  
Release of goods to a Customs procedure either at the Frontier using the Simplified Declaration Procedure (SDP) or entry in the records using the Local Clearance Procedure (LCP). Under NES 'Permission to Progress' allows release.
- relevance** One of the four requirements for **accounting information**.  
**Statement of Principles** states "information is relevant if it has the ability to influence the economic decisions of users and is provided in time to influence those decisions" (Chapter 3).  
It can be seen that **materiality** is an implied condition.  
Two characteristics of relevance are **predictive value** and **confirmatory value**.  
FRS 102 includes this as a **qualitative characteristic** of information in financial statements.  
Its definition there is "the information provided in financial statements must be relevant to the decision-making needs of users, Information has the quality of relevance when it is capable of influencing the economic decisions of users by helping them evaluate past, present or future events or confirming, or correcting, their past evaluations" (FRS 102 section 2.5).
- relevant 2010 date** For child trust funds, means 2 August 2010 (Child Trust Funds Regulations SI 2004 No 1450 reg 7(10E). The date could have been later if other regulations has been delayed in commencement, but they were not.
- relevant abandonment programme** For corporation tax on oil companies, "means the **abandonment programme** in respect of which the **decommissioning expenditure** mentioned in subsection (1)(a) was incurred" (Corporation Tax Act 2010 s298A(10)).
- relevant accounting change** "Means a change in the way in which a company is permitted or required for accounting purposes, to recognise amounts which —  
(a) are brought into account by the company as credits or debits for any period for the purposes of this Part, or  
(b) would be so brought into account but for any provisions made by or under this Part" (Corporation Tax Act 2009 s465A(3)).
- relevant administrator** For a retirement benefits scheme, former approved superannuation fund or relevant statutory scheme as defined in section 611A Income and Corporation Taxes Act 1988 (Incorporation Tax Act), or a pension scheme treated by HMRC as a relevant statutory scheme, this is the person(s) who is/are the



administrator of the pension scheme under section 611A of Income Tax Act.

For a deferred annuity contract where the benefits are provided under one of the types of scheme above, or a retirement annuity, this is the trustee(s) of the pension scheme, or the insurance company which is a party to the contract in which the pension scheme is comprised.

For a Parliamentary pension scheme or fund, this is the trustees of the scheme or fund.

For a personal pension scheme, this is the person who is referred to in section 638(1) of the Income and Corporation Taxes Act 1988).

**relevant alternative provision** Term used in relation to diverted profits tax, and which is defined in Finance Act 2015 s88(7).

**relevant annuity** For the purposes of Part 4 of the Finance Act 2004 (pension schemes etc) a "relevant annuity" is a single life annuity without a guaranteed term.

**relevant assets threshold** Term used in Charities Act 2011 s176 in relation to annual reports from charities.

**relevant audit information** "Information needed by the company's auditor in connection with preparing his report" (Companies Act 2006 s418(3)).

If the company is audited, the directors' report must include a statement that the auditors have received all relevant audit information.

**relevant benefits** Benefits which derive from the financial instrument or provision under discussion.

**relevant CFC charge advantage** Term used in Corporation Tax Act 2010 s730G(5A).

**relevant chargeable event** In relation to entrepreneurs' relief, "means a chargeable event under —  
(a) paragraph 3(1) of Schedule 5B, or  
(b) paragraph 3(1) of Schedule 5C,  
which occurs on or after 6 April 2008 in relation to any of the relevant shares held by the investor immediately before the first relevant chargeable event" (Finance Act 2008 Sch 3 para 8(2)).

**relevant consolidated contribution** A contribution made by way of discharge of any liability incurred by the employer before 6 April 2006 to pay any pension or lump sum to or in respect of the individual.

**relevant contingent contract** In relation to **exchange gains and losses**, the term is defined in Corporation Tax Act 2009 s328G and s606G.

**relevant costs** In management accounting, future costs that will be affected by a decision.

<b>relevant cut-off</b>	Term used in Capital Allowances Act 2001 Part 2 in relation to when provisions for <b>short-life assets</b> apply (Finance Act 2011 s12(2)).
<b>relevant dilution ratio</b>	For soft drinks industry levy, the ratio of water to liquid to produce a drink. This is as stated on the drink packaging. In the absence of such information, the ratio is determined by HMRC. (Finance Act 2017 s27(2)).
<b>relevant discounted security (RDS)</b>	This term is defined in Finance Act 1996 Sch 13.
<b>relevant disregarded income</b>	In relation to income of non-residents, this term is defined in Income Tax Act 2007 s821.
<b>relevant earnings amount (REA)</b>	Term used in the rules for <b>childcare vouchers</b> . It is the estimated earnings of an employee for a future year to determine the maximum amount of such vouchers that may be provided tax-free.
<b>relevant event</b>	Change in details about a company which must be reported in a <b>confirmation statement</b> (Companies Act 2006 s853B).
<b>relevant excluded contract</b>	In relation to life insurance contracts, the term is defined in Corporation Tax Act 2009 s561(2).
<b>relevant failure</b>	Term used in relation to <b>controlled foreign companies</b> (Income and Corporation Taxes Act 1988 s751AB(2)).
<b>relevant field threshold</b>	In relation to the oil and gas industry, this term is defined in Corporation Tax Act 2010 s332DA(4).
<b>relevant first commercial sale</b>	In relation to enterprise investment scheme, this term is defined in Income Tax Act 2007 s175A(6) as inserted by Finance (No 2) Act Sch 5. For venture capital trusts, the term is defined in Income Tax Act 2007 s280C(7) as inserted by Finance (No 2) Act Sch 6.
<b>relevant flexible remuneration arrangements</b>	In relation to salary sacrifice and childcare vouchers, "means arrangements (whenever made) under which the employees for whom the vouchers are provided agree with the employer that they are to be provided with vouchers rather than receive some other description of employment income" (Income Tax (Earnings And Pensions) Act 2003 s270A(5A)). In relation to reduction in annual allowance for pension contributions, the term is defined in Finance Act 2004 s228ZA(5) as inserted by Finance (No 2) Act 2015 Sch 4 para 10(6).
<b>relevant floor area</b>	In relation to the size of a shop and Sunday working, the term "means the internal floor area of so much of the <b>large shop</b> in question as consists of or is comprised in a building" (Employment Rights Act 1996 s43ZB(3)).

<b>relevant foreign income</b>	<p>Income of a person who is neither domiciled nor ordinarily resident in the UK that may be taxed on the <b>remittance basis</b> (Income Tax (Trading And Other Income) Act 2005 from s841).</p> <p>The term is further defined in the Inspectors' Manual at SAIM 1130.</p>
<b>relevant foreign offence</b>	<p>In relation to company directors, an offence committed overseas for which the director may be disqualified (Company Directors Disqualification Act 1986 s5A as inserted by Small Business, Enterprise and Employment Act 2015 s104).</p>
<b>relevant foreign tax</b>	<p>For HMRC data-gathering powers, "means —</p> <p>(a) a tax of a member State, other than the United Kingdom, which is covered by the provisions for the exchange of information under the Directive of the Council of the European Communities No 77/799/EEC (as amended from time to time), and</p> <p>(b) any tax or duty which is imposed under the law of a territory in relation to which arrangements having effect by virtue of section 173 of FA 2006 (international tax enforcement arrangements) have been made and which is covered by the arrangements"</p> <p>(Finance Act 2011 Sch 23 para 45(4)).</p>
<b>relevant goods</b>	<p>Excise goods on which the duty has not been paid (excluding hydrocarbon oils).</p>
<b>relevant grace period</b>	<p>In relation to the remittance basis, the term is referred to in Income Tax Act 2007 s809VG(4) and defined in s809VJ.</p>
<b>relevant group payment arrangements</b>	<p>In relation to corporation tax surcharge on banks, this term is defined in Taxation (International and Other Provisions) Act 2010 s371UBA(4).</p>
<b>relevant HE qualification</b>	<p>In relation to venture capital trusts and <b>knowledge-intensive companys</b>, this term is defined in Income Tax Act 2007 s311A(10) as inserted by Finance (No 2) Act 2015 Sch 6.</p>
<b>relevant hedging scheme</b>	<p>In terms of <b>index-linked gilt-edged securities</b>, a term defined in Corporation Tax Act 2009 s410A(6).</p>
<b>relevant housing provider</b>	<p>"Means a body which is a non-profit registered provider of social housing or which is entered on the register maintained under Housing Act 1996 s1 [or equivalent Scottish and Northern Irish law]" (Income Tax Act 2007 s555(3)).</p> <p>Such a provider is outside the scope of the rules for <b>substantial donors</b> to charities.</p>
<b>relevant imported investment</b>	<p>In relation to venture capital trusts, this term is defined in Income Tax Act 2007 s280B(3D) as inserted by Finance (No 2) Act Sch 6.</p>
<b>relevant inaccuracy</b>	<p>In terms of penalties, means "an inaccuracy which amounts to, or leads to —</p> <p>(a) an understatement of a liability to tax,</p> <p>(b) a false or inflated statement of a loss, or</p>

(c) a false or inflated claim to repayment of tax.”  
(Finance Act 2007 Sch 24 para 1A(1)).

- relevant income threshold** Term used in Charities Act 2011 s176 with regard to annual reports by charities.
- relevant intellectual property income (RIPI)**  
Term used in connection with the **patent box**.  
The term relates to the amount of income that derives from qualifying patents.
- relevant low-paid workers** In relation to salary sacrifice, childcare workers and the national minimum wage, “means any of the employer’s employees who are remunerated by the employer at a rate such that, if the **relevant salary sacrifice arrangements** or **relevant flexible remuneration arrangements** applied to them, the rate at which they would then be so remunerated would be likely to be lower than the national minimum wage”  
(Income Tax (Earnings And Pensions) Act 2003 s270A(5A)).
- relevant life policy** In relation to employee pensions, the term is defined in Income Tax (Earnings And Pensions) Act 2003 s393B(4).
- relevant mutual** Term used in relation to certain bodies in connection with the postal services (Postal Services Act 2011 s7).
- relevant non-banking group** Term used for the bank levy (Finance Act 2011 Sch 19 para 11).
- relevant non-lending relationship**  
Term used in relation to **loan relationship**, and defined in Corporation Tax Act 2009 from s478.
- relevant Northern Ireland IP profits**  
In relation to corporation tax on patent income in Northern Ireland, the term is defined in Corporation Tax Act 2010 from s357VB.
- relevant overseas individual** An individual who either does not qualify for UK relief on contributions paid to a registered pension scheme because they are not a “relevant UK individual” as defined in section 178 Finance Act 2004, or an individual who is not employed by a UK resident employer and only qualifies for UK relief on pension contributions because they were resident in the UK both during 5 years immediately before the tax year under consideration and when they became a member of the registered pension scheme.
- relevant PAYE debt** Debt for which a director can become personally liable.  
The term is defined in PAYE regulations SI 2003 No 2682 reg 97ZA.
- relevant payments** Term used for PAYE broadly to mean amounts subject to the PAYE system.  
A full definition is given in PAYE Regulations SI 2003 No 2682 reg 4.

<b>relevant planning obligation</b>	In relation to waste disposal sites, this term is defined in Income Tax (Trading and Other Income) Act 2005 s168(6).
<b>relevant prior gift</b>	An <b>associated benefit</b> previously made to a donor under Gift Aid (Income Tax Act 2007 s418(4)). The tax relief for a donation could be restricted if the value of an associated benefit and relevant prior gift exceed £500.
<b>relevant project threshold</b>	In relation to gas and oil companies, the term is defined in Corporation Tax Act 2010 s332DB(4).
<b>relevant property regime</b>	Regime of inheritance tax rules for <b>trusts</b> . Before 22 March 2006, this was known as the discretionary trust regime. Broadly a trust that comes within the regime is subject to <b>ten-yearly charges</b> and an <b>exit charge</b> . Also, the settlement can be a <b>lifetime disposition</b> for inheritance tax if sufficiently large. <b>Privileged trusts</b> are outside the regime.
<b>relevant property trust</b>	<b>Trust</b> within the scope of the <b>relevant property regime</b> .
<b>relevant qualifying activity requirement</b>	Term used in Income Tax Act 2007 s294 in relation to <b>VCT relief</b> . The requirement is broadly that the company in which funds are invested must not engage in a trade which is excluded.
<b>relevant restriction provision</b>	In relation to the sale of occupation income, this term is given a specific meaning in Income Tax Act 2007 s794(5).
<b>relevant revenue</b>	In management accounting, a revenue that will be affected by a decision.
<b>relevant Revenue trader</b>	An authorised warehousekeeper, registered owner or duty representative.
<b>relevant right to vote</b>	Term used in Companies Act 2006 s374 with regards to the extent to which members have sufficient voting strength to call meetings of the company and to submit statements.
<b>relevant salary sacrifice arrangements</b>	In relation to childcare vouchers “means arrangements (whenever made) under which the employees for whom the vouchers are provided give up the right to receive an amount of general earnings or specific employment income in return for the provision of the vouchers” (Income Tax (Earnings And Pensions) Act 2003 s270A(5A)). In relation to reduction in annual allowance for pension contributions, this term is defined in Finance Act 2004 s228ZA(5) as inserted by Finance (No 2) Act 2015 Sch 4 para 10(6).
<b>relevant service provider</b>	For apprenticeship levy, “means a person who provides or is to provide with respect to payments of apprenticeship levy a service that is specified, or of a description specified, by the regulations” (Finance Act 2016 s107(3)).

- relevant sum** Amount which HMRC may take directly from a taxpayer's account without reference to a court. The term is defined in Finance (No 2) Act 2015 Sch 8 para 2.
- relevant tax written-down value (RTWDV)** Figure used in relation to **allowance buying**. A full definition is given in Capital Allowances Act 2001 s212K.
- relevant telecommunication right** In relation to income tax on trading profits, there are special provisions in Income Tax (Trading and Other Income) Act 2005 from s144A.
- relevant third person** Term used in the context of **disguised remuneration** (Income Tax (Earnings And Pensions) Act 2003 s554A(7) as inserted by Finance Act 2011 Sch 1).
- relevant transferred-out gain** In relation to corporation tax surcharge on banks, this term is defined in Corporation Tax Act 2010 s269DC(2).
- relevant tribunal or court** For VAT, "means the tribunal or court from which the permission or leave to appeal is sought" (Value Added Tax 1994 s95B(8)).
- relevant UK earnings** In relation to occupational pension schemes, this term is defined in Finance Act 2004 s189(2).
- relevant UK individual** An individual is a relevant UK individual for a tax year if the individual has relevant United Kingdom (UK) earnings chargeable to income tax for that year, the individual is resident in the UK at some time during that year, the individual was resident in the UK both at some time during the five tax years immediately before that year and when the individual became a member of the pension scheme, or the individual, or the individual's spouse, has for the tax year general earnings from overseas Crown employment subject to UK tax.
- relevant 6-year period** In relation to derivative contracts, this term is defined in Corporation Tax Act 2009 s630(4).
- reliability** One of the **qualitative characteristic** of information in financial statements.  
"The quality of information that makes it free from **material error** and bias and represents faithfully that which it either purports to represent or could reasonably be expected to represent" (FRS 102 glossary).

The information provided in financial statements must be reliable. Information is reliable when it is free from material error and bias and represents faithfully that which it either purports to represent or could reasonably be expected to represent. Financial statements are not free from bias (ie not neutral) if, by the selection or presentation of information, they are intended to influence the making of a decision or judgment in order to achieve a predetermined result or outcome.  
— *Financial Reporting Standard FRS 102 section 2.7*

In previous standards, it is defined as the qualitative characteristic of being free from material error and bias, representing faithfully.

This is one of the four requirements of **accounting information** required by **Statement of Principles**.

Reliability is itself broken down into five elements:

- **faithful presentation**
- **neutral**
- **free from material error**
- **complete**
- **prudence.**

**reliability of measurement**

In accounting, one of two **recognition criteria** for recognising an item in the accounts. The other criterion is probability of future economic benefit.

This criterion is “that it possesses a cost or value that can be measured with reliability” (FRS 102 section 2.30). The cost or value may be known or may be estimated, provided a reasonable estimate can be made.

**relief**

*General*

Assistance to help with a difficult situation.

*Taxation*

Reduction in taxable income in respect of expenditure or other financial burden.

“The word ‘relief’ is not a term of art but has been used in tax legislation since the earliest statutes to refer to a provision which reduces the tax which would otherwise be payable” (*Taylor v MEPC Holdings Ltd. UKHL [2002]*)

*Customs*

For Customs purposes, “freedom from paying duty and tax when you meet the relevant conditions” (Customs notice 3).

**Relief at Source (RAS)**

Process by which tax relief is given for pension contributions.

**relief declaration return**

Annual return for Annual Tax on Enveloped Dwellings stating that a property or properties qualifies for relief from the tax (Finance Act 2013 s159A as inserted by Finance Act 2015 s73).

**relief from income tax**

For **manufactured dividends**, this term includes a tax credit (Income Tax Act 2007 s572A(4)).

**reliefs from income tax**

For PAYE, the term “includes allowances and deductions” (PAYE Regulations SI 2003 No 2682 reg 2(1)).

**relief shift**

Period of work (or the people who perform it) which usually comes between the day shift or night shift.

**relief-triggering event**

Term used in relation to the tax-deductibility of costs for employee share schemes, as explained in the Inspector's Manual at BIM 44300.

- relievable charity 56donation** “Means a gift or other disposal which —  
(a) is made by a person to a charity, and  
(b) is eligible for tax relief”  
(Income Tax Act 2007 s809ZI(1) and Corporation Tax Act 2010 s939B).
- relievable gift** Gift to charity for which a **substantial donor** obtained tax relief.  
The full list of such gifts is given in Income Tax Act 2007 s551.
- relievable loss** Loss incurred by a business in its **final tax year** which is not relieved by being offset against other income of the same tax year (Income Tax Act 2007 s89(2)). This loss may be relieved against profits of the previous three years.
- relievable pension contribution**  
A contribution paid to a registered pension scheme by or on behalf of a member of that scheme, unless one or more of the following exceptions applies.  
A payment is not a relievable contribution if the member was aged 75 or over when the contribution was made, or the contribution is paid by the member's employer, or the payment is an age related rebate or a minimum contribution paid by HMRC to a contracted-out pension scheme under section 42A(3) or section 43 of the Pension Schemes Act 1993 or the corresponding Northern Ireland legislation or it is a life assurance premium contribution in accordance with section 195A Finance Act 2004.  
The term is fully defined in Finance Act 2004 s188(2).
- relievable property** For inheritance tax, property on which **business relief** or **agricultural relief** is available.
- religion** System of belief, such as Christianity or Islam. It has many financial implications.  
A religion may qualify as a **charity** provided it passes the **public benefit** test. So relief from suffering qualifies but private prayer does not. For the purposes of charity law, includes one which believes in more than one god or which does not involve any belief in a god (Charities Act 2006 s2(3)) and Charities Act 2011 s3(2)(a).  
For tax purposes, religion requires a belief in a supreme being, so atheistic bodies do not qualify.  
In May 2018, ACAS published guidance on religion in the workplace.
- religious** For VAT and such bodies, the term “includes all denominations, creeds, old and new, that command a following” (VAT leaflet 701/5).
- religious community** Monastery, convent or similar establishment where people live under religious vows. These usually include sharing property on a communal basis.  
Members of religious communities are exempt from the **national minimum wage** provided:  
  - the community is a charity or established by a charity;
  - the purpose of the community is to practise or advance a religious belief;



- all or some members live together for that purpose.

<b>religious exemption</b>	Right to submit tax returns on paper rather than by computer where a taxpayer's religious beliefs are incompatible with using computers. This applies to partnerships if all partners share such belief. In practice, the exemption is claimed by some Orthodox Jews and members of certain Brethren organisations.
<b>religious marriage</b>	<p>Marriage which has been conducted in accordance with the usage of a religion in addition to the requirements of the law. Under Matrimonial Causes Act 1973 s10A (inserted by Divorce (Religious Marriages) Act 2002 s1), a decree absolute may be refused in a divorce until steps have been taken to dissolve the religious marriage.</p> <p>The Act is intended for Jewish marriages, though the provision is written to include any religion.</p>
<b>religious order</b>	<p>Monastery, convent or similar establishment.</p> <p>Members are taxed in the normal way even when they have taken a vow of poverty. The matter is discussed in the Inspectors' Manual at EIM69700.</p>
<b>relinquishing spouse or civil partner</b>	Term used in relation to transfer of tax allowance after the death of a spouse or civil partnership (Income Tax Act 2007 s55B(3) as inserted by Finance Act 2018 s6(3)).
<b>relocation</b>	Act of moving a person or business to a different location. Where an employee is relocated, the employer may generally provide up to £8,000 as tax-free benefit (Income Tax (Earnings And Pensions) Act 2003 from s271).
<b>relocation package</b>	Package of benefits provided by an employer to an employee to encourage and assist the employee in moving home to a different location.
<b>remainderman</b>	<p>Person who inherits the settled property in an <b>interest in possession</b> trust when the <b>life tenant</b> dies.</p> <p>All beneficiaries who are remaindermen must be named; it is not sufficient merely to identify them such as "my grandchildren".</p>
<b>remaining amount</b>	Expression used in Corporation Tax Act 2010 s23 in relation to calculating corporation tax on <b>ring fence</b> profits.
<b>remaining expenses</b>	Term used in Income Tax Act 2007 s486 in relation to the offset of trustees' expenses.
<b>remaining useful economic life</b>	<p>In relation to capital allowances, "in the case of any leased plant or machinery, is the period —</p> <p>(a) beginning with the commencement of the term of the lease, and</p> <p>(b) ending when the asset is no longer used, and no longer likely to be used, by any person as a fixed asset of a business"</p>

(Capital Allowances Act 2001 s70YI(1)).

**remaneant pro defect emporium**

Latin: they are left on my hands for want of buyers.

This is a statement by a sheriff who cannot sell seized goods.

**remedial order**

(1) Order of a court that reverses the sale of shares or other security in a private company to a member of the public in contravention of company law (Companies Act 2006 s759(1)).

(2) Order that may be served on a care provider under Care Act 2014 s93(3).

**remediation of contaminated land**

The special tax provisions for this are given in Corporation Tax Act 2009 from s1143.

**remedy**

Means provided by the law for the recovery of a right or compensation for an infringement of a right. It is distinct from a penalty or punishment.

**Remembrance, Responsibility and Future**

English name for a German compensation scheme for anyone who was a slave or forced labourer in the second world war. On 16 December 2015, it was announced that such payments are exempt from inheritance tax.

**reminder**

Notice drawing a person's attention to an unpaid amount due. This is a requirement in many legal procedures to recover a debt.

**remission**

Relief or refund of what was previously regarded as owed.

**remittance**

Sending of a payment.

A non-resident individual who remits money to the UK may be liable to pay UK income tax on the remittance.

**remittance advice**

Document which gives details of income. It is usually numbered, filed and cross-referenced to the receipts side of the cash book.

**remittance basis**

When tax is charged on **foreign income** only to the extent that it is remitted to the UK. The opposite is known as the **arising basis**.

In general, this basis is used by taxpayers who are **resident** in the UK, but who are either not **ordinarily resident** nor **domiciled** in the UK.

Income tax provisions can be found in Income Tax Act 2007 from s809A.

**remittance men**

Settlers in Australia in 19<sup>th</sup> century who depended on money sent from Britain.

**remitted to the United Kingdom**

In relation to the remittance basis, this is given a specific meaning in Income Tax Act 2007 s809L.

<b>remitting bank</b>	Bank into which a person has made a payment and which has the obligation to collect funds from the bank from which the payment is made.
<b>remortgage</b>	A switch of mortgage from a current lender to another one. A new mortgage is taken out to pay off the old one.
<b>remote gambling</b>	Allowed under Gambling Act 2005. Law on licensing is amended by Gambling (Licensing and Advertising) Act 2014 s1.
<b>remote gaming</b>	"The playing of a game of chance for a prize by remote means (for example, over the internet)" (HMRC Notice 455A).
<b>remote gaming duty (RGD)</b>	Tax on gaming from a terminal removed from the operator.
<b>remoteness</b>	Lack of sufficient proximity. In law, this concept is relevant in several contexts. In a claim for damages, remoteness restricts liability to what was reasonably foreseeable at the time of loss. Any further loss is considered too remote and therefore not compensated. In executorship, remoteness refers to a disposition of property which cannot be effected within the time limit for <b>perpetuities</b> . Such a disposition is said to be void for remoteness.
<b>remoteness test</b>	Rule on the tax-allowability of expenditure. This generally restricts the allowability to the direct purpose of the payment and not to the indirect benefit that may arise. A leading case is <i>Union Cold Storage Ltd v Jones [1924] 8TC725</i> . The matter is discussed in the Inspectors' Manual at BIM37200. See also <b>Usher</b> .
<b>remote operating licence</b>	Licence issued by Gambling Commission to someone who either offers <b>remote gambling</b> or who offers gambling services by remote communication (Gambling Act 2005 s67). Further details are provided in HMRC leaflet 455A.
<b>remoter issue</b>	Direct descendants of at least two generations, such as grandchildren and great-grandchildren. For tax purposes, they are usually <b>associated persons</b> . They may also have inheritance rights.
<b>Remote Transit Shed</b>	An approved place situated within the boundaries of the appointed area of an approved airport, but outside the HM Revenue & Customs approved area where non-European Union (EU) goods may be held until they are assigned to a customs approved treatment or use.
<b>removable contents</b>	In relation to a caravan, such contents are standard-rated though the caravan itself may be zero-rated. Guidance on the scope of removable contents was provided by the First Tier Tribunal in <i>Colaingrove Ltd. TC 2715 [2013]</i> .
<b>removal</b>	(1) Process of sending goods to another EU member state. Since the <b>Single Market</b> , such goods are no longer said to be exported. (2) Goods removed with HM Revenue & Customs' permission from approved inland or frontier premises under New Export System (NES). This will be

achieved through use of a CHIEF print or manual C130EX.

(3) Change of location for a person.

An employer may make a tax-free contribution to the removal expenses of an employee under Income Tax (Earnings And Pensions) Act 2003 from s271.

**removal authority**

A release note that is produced when a request has been made for goods in transit, or for goods being removed to another shed or another airport.

**removal document**

For customs purposes, either Single Administrative Document (SAD) copy 3, approved commercial document, laser printed or approved privately printed versions of the Single Administrative Document (SAD).

**removal expenses**

The expenses of relocating a business are generally tax-deductible as a revenue expense (see Inspectors' Manual at BIM42530).

The expenses of relocating an employee is generally tax-deductible as a revenue expense (see Inspectors' Manual at BIM42531).

For an employee, payment of certain removal expenses do not constitute a benefit in kind provided they do not exceed £8,000.

**removal of auditor**

Decision by members of a company to remove an auditor from that position. Members may do so at any time by an ordinary resolution at a general meeting (Companies Act 2006 s510).

The auditor has the right to make written representations to the company (s511(3)).

These provisions only apply when an auditor is to be removed while in post. They do not apply when an auditor is not re-appointed, though there are similar provisions in s514.

**removal order**

Order which requires a Scottish **adult at risk** to be moved to a place of safety under Adult Support and Protection (Scotland) Act 2007 s14.

**removed**

Description used for Customs purposes for goods dispatched to another Member State of the European Union (EU) and goods exported to a destination outside the EU.

**Remploy**

Government-backed organisation that provided work for disabled people and established in 1945. Its dedicated factories closed in March 2012 when government funding was withdrawn in preference to other disability support schemes.

**remunerate**

Pay someone for the work they have done.

**remuneration**

Non-statutory term which "includes salaries, fees, pay, wages, overtime pay, leave pay, bonus, commission, perquisites, tips, gratuities, benefits in kind and expenses payments and allowances" (HMRC leaflet 480).

A business may claim remuneration of its staff as a business expense unless the remuneration remains unpaid nine months after the year-end (Corporation Tax Act 2009 s1288; Income Tax (Trading And Other Income) Act 2005s36).

For national insurance, a definition is given in Social Security (Categorisation of Earners) Regulations SI 1978 No 1689 reg 1(2).

- remuneration committee** Committee of directors established by most listed companies to consider directors' pay. It is usually dominated by non-executive directors.
- remuneration payment** In relation to directors of a quoted company, this is defined in Companies Act 2006 s226A(1).
- renaming loans** Form of ineffective tax avoidance scheme whereby loan payments are renamed as a sum held in a fiduciary capacity. HMRC issued Spotlight 39 on 10 August 2017, explaining why they do not work.
- renewable heat incentive (RHI)** Scheme to promote the use of heat from renewable sources. It is to be introduced during 2011. The first phase will provide long term tariff support for the non-domestic sector,.
- renewable sources** Sources of energy which are not finite.  
A list of such sources is given in Climate Change and Sustainable Energy Act 2006 s26(2) as follows:  
(a) biomass;  
(b) biofuels;  
(c) fuel cells;  
(d) photovoltaics;  
(e) water (including waves and tides);  
(f) wind;  
(g) solar power;  
(h) geothermal sources;  
(i) combined heat and power systems.
- renewable term insurance** Term insurance providing the right to renew at the end of the term, without evidence of insurability. The premium rates may increase at each renewal as the age of the insured is increasing.
- renewables obligation certificate** Certificate issued under Electricity Act 1989 s32B or equivalent Northern Ireland law.  
No tax is payable on receipt of such a certificate under Income Tax (Trading And Other Income) Act 2005s782A as inserted by Finance Act 2007 s21.  
Nor is capital gains tax payable (Taxation of Capital Gains Act 1992 s263AZA).
- renewable source electricity (RSE)** Electricity that is produced from renewable sources such as wind, waves and sunlight. RSE is subject to climate change levy from 1 August 2015, with a transitional period to 31 March 2018, under Finance (No 2) Act 2015.

**renewable source heating system**

The grant-funded installation of such a system may qualify for reduced rate of VAT under Value Added Tax 1994 Group 3. A definition is given in para 4B.

**Renewable Transport Fuels Obligation (RTFO)**

Government commitment made in November 2005 that at least 5% of road fuel must be made from biomass by 2010.

**renewal**

*Allowability of expenditure for tax purposes.*

In general, renewal of an item is treated as capital expenditure whereas repair is generally treated as revenue expenditure.

“Repair is restoration by renewal or replacement of subsidiary parts of a whole. Renewal, as distinguished from repair, is reconstruction of the entirety, meaning by the entirety not the whole but substantially the whole subject-matter under discussion.” (*Brown v Burnley Football Athletic Co Ltd [1980] 53 TC 357*).

*Insurance contracts*

For insurance, the term means an agreement to continue insurance beyond any original term. For group insurance it is often used to refer to the annual update of membership details and production of annual accounts.

**renewal notice**

Notice inviting a customer to continue with a subscription or similar arrangement for a further period.

**renewal premium**

Amount charged to continue with a subscription, insurance policy or similar for a further period.

**renewal of a lease**

Grant of a further lease at the end of a term of an existing lease.

**renewal of a tax**

Term used in Provisional Collection of Taxes Act 1968 to refer to the position where some taxes need a fresh mandate each year, particularly income tax. Section 1(2) makes clear that this expression includes reimposition of a tax.

**renewals accounting**

System of accounting where an infrastructure is maintained by the routine replacement of parts, usually under an **asset management programme**. FRS15 allows this method only in restricted circumstances. The matter is discussed in the Inspectors' Manual at BIM31065.

**renewals allowance**

For capital gains tax, means “a deduction allowable in computing the profits of a trade, profession or vocation for the purpose of income tax by reference to the cost of acquiring an asset for the purposes of the trade, profession or vocation in replacement of another asset” (Taxation of Capital Gains Act 1992 s41(5)).

The renewals allowance is treated as an allowable deduction from the disposal proceeds of the replacement asset.

**renouncing probate**

When a person appointed **executor** in a will refuses to accept the office.

**rent**

Arrangement whereby one person pays money to another to use that person's property.

In relation to a lease, the word is defined by reference to the definition of **lease** in Income Tax Act 2007 s614DG.

**rental**

Amount paid to use another person's property.

**rent allowance subsidy**

A subsidy that could be paid by central government to a housing authority under Housing Finance Act 1972 s1.

**rental earnings**

“(1) In this Part, the rental earnings for any period in respect of a lease of an asset in the case of any person or any consolidated group accounts is the amount specified in subsection (2).  
 (2) That amount is the amount that falls for accounting purposes to be treated in accordance with generally accepted accounting principles, as the gross return for that period on investment in respect of a finance lease or loan in respect of the leasing arrangements”  
 (Income Tax Act 2007 s614AC).

In relation to tax avoidance about rent, the term is also given a specific meaning in Corporation Tax Act 2009 s898 and Income Tax (Trading and Other Income) Act 2005 s148A.

**rental rebate**

“Any sum payable to the lessee that is calculated by reference to the termination value of the asset” (Income Tax (Trading And Other Income) Act 2005s55B(2) and Corporation Tax Act 2009 s60A).

In relation to capital allowances on a lease, the term “means any sum payable to the lessee that is calculated by reference to the termination value of the asset” (Capital Allowances Act 2001 s228MC(1)).

**rent rebate subsidy**

A subsidy that could be paid by central government to a housing authority under Housing Finance Act 1972 s1.

**rental value**

Full value of rented property at current market prices.

**rental value of the accommodation**

“The rent which would have been payable for that period if the property had been let to the employee at an annual rent equal to the **annual value**”  
 (Income Tax (Earnings And Pensions) Act 2003 s105(3)).

**rent-a-room**

Scheme whereby a person may let a room in their home and not pay tax on the rent up to a certain limit.

The scheme was introduced on 6 April 1992 to these limits:

From	Annual amount	Weekly amount
6 April 2016	£7,500	£144.23
6 April 1997	£4,250	£81.73
6 April 1992	£3,250	£62.50

The room must be furnished. The relief may be claimed by an individual or a business, however the *tenant* must not use the room for business purposes. Incidental use, such as a desk for private study or occasional work is accepted.

The allowance is per taxpayer not per tenant, except that a husband and wife may only claim one allowance. If two people let a room in the same building, the rent-a-room allowance is apportioned between them.

From April 2019, it is a condition that the property owner shares occupancy for at least some of the time.

Tax law is given in Income Tax (Trading And Other Income) Act 2005s23.

<b>rentcharge</b>	Any annual or other periodic payment charged on land other than lease payments or interest (Rentcharges Act 1977 s1). No rentcharges may be created after 22 August 1977 (ibid s2(1)).
<b>rent repayment order</b>	Order that a First Tier Tribunal may make against a <b>rogue landlord or property agent</b> under the provisions of Housing and Planning Act 2016 s40.
<b>rents</b>	"Includes payments by a tenant for work to maintain or repair leased premises which the lease does not require the tenant to carry out" (Income Tax (Trading and Other Income) Act 2005 s266(2)).
<b>rent tribunal</b>	Body which settles disagreements between landlords and tenants about the amount of rent which should be payable at a rent review.
<b>renunciation</b>	Act of giving up something, particularly a right or entitlement to shares.
<b>renvoi</b>	Doctrine regarding the choice of law where a matter falls within the scope of alternative jurisdictions. If an agreement seeks to make judges of country A impose the law of country B, or judges of country B to impose the law of country A, then a judge in country A imposes the law of country A. The principle is that a choice of jurisdiction must accept the totality of that jurisdiction. The parties cannot choose the laws of one country and the court system of another.
<b>reorder</b>	(1) Place a further order. (2) Work done on the interior of a building to arrange its facilities to make it more appropriate to current requirements.
<b>reorder level</b>	Stock quantity below which further supplies should be ordered.
<b>reorder quantity</b>	Amount of stock which should be reordered when the <b>reorder level</b> has been reached.
<b>reorganisation</b>	Taking an existing organisation and making changes in how it is operated, usually either to respond to an external factor (such as a merger of two businesses) or to make the organisation more efficient. For capital gains tax, a reorganisation is not treated as a disposal (Taxation of Capital Gains Act 1992 s127).
<b>repackaging</b>	For tobacco products, the replacement of any packaging or wrapping material that is customary, necessary or both customary and necessary to enclose and



present tobacco products for retail sale purposes.

**repair**

***Allowability for tax relief***

A repair of an item used for business generally wholly qualifies for tax relief as revenue expenditure. Replacement may not so qualify and so be treated as capital expenditure.

“Repair is restoration by renewal or replacement of subsidiary parts of a whole. Renewal, as distinguished from repair, is reconstruction of the entirety, meaning by the entirety not the whole but substantially the whole subject-matter under discussion.” (*Brown v Burnley Football Athletic Co Ltd [1980] 53 TC 357*).

***Correction on tax return***

This word is used as a term when HMRC amends a return it has received from a taxpayer.

This procedure is used for obvious errors such as transposed figures, arithmetical errors, errors of principle and similar. HMRC has nine months from receipt of return to make a repair. It must notify the taxpayer who may then accept it or reject it.

**repair at own expense test**

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

**repair rule**

Provision that provides relief under the **remittance basis**, for which purpose the rule is defined in Income Tax Act 2007 s809Z3.

**repair rule premises**

Term used in connection with the **repair rule** and defined in Income Tax Act 2007 s809Z3(4).

**repatriation**

Returning something or someone to its original land.

For a person this means a person returning to his or her native land, or the expulsion of an immigrant to his country of origin.

For money or goods, it means returning them to the country of origin.

**repayment claims**

Under laws about **dormant bank accounts**, a claim made by the rightful owner of such an account under the provisions of Dormant Bank and Building Society Accounts Act 2008.

**repayment interest**

Interest that is added to an amount of tax refunded to a taxpayer. The main legal provision is Finance Act 2009 s102.

**repayment mortgage**

Mortgage where each payment includes some repayment of capital as well as interest.

**Repayment of Teachers' Loans Scheme (RTL scheme)**

A scheme run by Department for Education and Skills from 1 July 2002 to 30 June 2005 to encourage teachers in England and Wales to take posts in subjects where there was a shortage of teachers. The teacher had to take an appropriate post by 30 June 2005.

Under the scheme, the teacher is provided with an **income contingent student loan**. This is written off over ten years provided the teacher remains

in eligible employment. The teacher makes no repayments of the loan. Part-time teachers have the loan written off on a pro rata basis.

The amount written off each year is a benefit in kind subject to income tax and PAYE. This is paid by the government, so the teacher does not have to make any payments.

In other circumstances, the loan is repaid under the **student loan deduction scheme**.

**repayment schedule** Offer made by a debtor to a creditor saying how he intends to clear the debt.

**repeal** Revocation of a law, rule, regulation or similar.

A repeal of a repeal does not revive the law (Interpretation Act 1978 s15).

**repeated benefit fraud** Offence set out in Social Security Fraud Act 2001 s7 as amended by Welfare Reform Act 2012 s119.

It applies when a claimant is found to have committed a **disqualifying event** within five years of a similar event.

**repeated misdeclaration penalty**

A penalty that HMRC could impose where repeated or significant misdeclarations have been made on VAT returns.

The penalty was imposed under Value Added Tax 1994 s64. It was repealed at various dates in 2008 and 2009 when a new regime of penalties was introduced.

**repeated prosecution** This is contrary to Article 6 of the European Court of Human Rights, 66mil guarantees a fair trial.

In a Ukrainian case, a customs officer was found to have his rights violated when he was tried three times for the same offence of smuggling and tax evasion merely because the court president did not agree with the first two decisions. (*Savinsky v Ukraine. ECHR Case 6965/02 [2006]*)

**repeat performance** Consumer's right to require the provision of a service to be repeated when the first service was not satisfactory (Consumer Rights Act 2015 s55).

**repetend** The numbers that repeat in a **recurring decimal**.

**replacement** Person, business, asset or funds which are used in place of such item which is no longer available.

In relation to capital allowances on feature integral to a building, the term is defined in Capital Allowances Act 2001 s33B.

**replacement car** For income tax on employment income, a car that replaces the **normal car** of an employee (Income Tax (Earnings And Pensions) Act 2003 s145(1)(b)).

**replacement cheque** Cheque issued to replace one which was stopped, dishonoured or became stale.

<b>replacement cost</b>	A measure of <b>current value</b> which estimates the cost of replacing an asset or liability at the date of the balance sheet. Justified by reference to <b>value to the business</b> .
<b>replacement cost accounting</b>	Form of <b>current cost accounting</b> where assets are valued at the cost of replacing them.
<b>replacement cost depreciation</b>	Depreciation of a fixed asset which has been valued under <b>replacement cost accounting</b> .
<b>replacement expenditure</b>	Expenditure to replace a fixed asset. In bookkeeping, this is regarded as an expense and so is charged to the profit and loss account and not capitalised. In tax, replacement expenditure on an <b>integral feature</b> may attract a capital allowance, provided the expenditure meets the <b>more than 50% test</b> .
<b>replacement instrument</b>	Document that replaces a stamped document that has become damaged or destroyed. The stamp duty implications are set out in Stamp Duties Management Act 1891 s12A.
<b>replacement investment</b>	This is where companies buy new machinery and equipment that simply replaces something they had already that was worn out or inefficient. Depreciation is often used as an approximation for this.
<b>replacement loan</b>	<b>Taxation generally</b> Term used in various parts of taxing acts (such as Income Tax Act 2007 s408) to mean a loan that pays off a loan taken out for a particular purpose. In general, a replacement loan is treated for tax purposes on the same basis as the loan it replaces.  <b>Beneficial loans</b> A loan that replaces an <b>employment-related loan</b> (Income Tax (Earnings And Pensions) Act 2003 s186). Before 6 April 1995, a replacement loan could become taxable when the original loan was not. This arose where the new lender was not the employer.
<b>replacement right</b>	For national insurance on share options, term used in Social Security Contributions (Share Options) Act 2001 s3.
<b>replacement securities</b>	Term used in Taxation of Capital Gains Act 1992 s138A when shares or other securities are acquired by an <b>earn-out right</b> .
<b>replevin</b>	Legal remedy of a person whose goods have been unlawfully taken from him.
<b>repo</b>	Sale of securities with an agreement to buy them back later, almost always for a higher price. A repo is sometimes also called RP or sale and repurchase

agreement. The security is often used as collateral to secure a loan. There are many variations on this arrangement.

In relation to the sale and repurchase of securities, the term “means —

(a) a debtor repo or debtor quasi-repo, or

(b) a creditor repo or creditor quasi-repo (including anything treated, as a result of section 547 of Corporation Tax Act 2009, as a creditor repo for the purposes of section 546 of that Act)” (Finance Act 2007 Sch 13 para 15(9)).

Income tax provisions are given in Income Tax Act 2007 s569.

Capital gains tax provisions are given in Taxation of Capital Gains Act 1992 from s261F, and from s542.

<b>repo legislation</b>	Tax provisions in Part 6 of Corporation Tax Act 2009.
<b>repo rate</b>	Difference between the amount paid to repurchase a <b>repo</b> security and the same at which it is sold.
<b>report</b>	Document which describes what has happened or proposes a course of action.
<b>reportable account</b>	Account whose information may be shared between tax jurisdictions under various international tax agreements. It is given statutory effect in the UK by SI 2015 No 878 para 2.
<b>report by skilled persons</b>	Report which the <b>Pensions Regulator</b> may require from the trustees or managers of a pension fund with regard to a matter stated in a <b>report notice</b> . These reports are regulated by Pensions Act 2004 s71.
<b>report form</b>	(1) Document which should be completed as indicated as a means of providing a <b>report</b> . (2) Vertical form of the <b>balance sheet</b> .
<b>reporting accountant</b>	Accountant who is engaged to report on financial statements, particularly in relation to a check that is less extensive than an audit.
<b>reporting boundaries</b>	In accounting, the limit of where activities must be reported. So a subsidiary reports its activities in its own accounts and in the <b>group accounts</b> , whereas an independent <b>associated company</b> reports its activities only in its own accounts.
<b>reporting date</b>	In accounting, “the end of the last period covered by financial statements or by an interim financial report” (FRS 102 glossary).
<b>reporting entity</b>	Person, business, organisation or other entity for which a set of accounts relates.
<b>reporting period</b>	The period to which a set of accounts relates (FRS 102 section 3.10). This corresponds to <b>accounting period</b> in tax. “The period covered by financial statements or by an interim financial report” (FRS 102 glossary).

Before FRS 102, the term was sometimes used to mean the time after the end of an accounting period during which all transactions for that period must be finalised.

<b>reporting restriction</b>	Requirement for an unlawful immigrant to report regularly pending deportation or consideration of asylum application (Asylum and Immigration (Treatment of Claimants etc) Act 2004 s36(b)).
<b>Reporting Statement</b>	Document produced by Accounting Standards Board.
<b>report notice</b>	Notice issued by the <b>Pensions Regulator</b> under Pensions Act 2004 s71 requiring the trustees or managers of a pension fund to provide specified information.
<b>report of attachment</b>	In Scotland, a report which must be made to the sheriff in respect of the execution of an attachment in collection of a debt (Debt Arrangement and Attachment (Scotland) Act 2002 s17).
<b>repossession</b>	When a landlord, lender or mortgagee takes back property for unpaid amounts due.
<b>representation</b>	When one person acts on behalf of another.
<b>representation</b>	In fraud, means "any representation as to fact or law, including a representation as to the state of mind of: (a) the person making the representation, or (b) any other person". (Fraud Act 2006 s2(3)).
<b>representational trade association</b>	The VAT position is explained in VAT leaflet 701/5.
<b>representative</b>	A person appointed on behalf of another to carry out the acts and formalities required by customs rules. Representatives may be either Direct or Indirect. A representative must state who they are acting on behalf of, specify the type of representation, and be empowered to act in that capacity.
<b>representative board</b>	Type of board of directors which places more emphasis on the directors' tasks than it does on interpersonal relations between directors.
<b>representative member</b>	A company applying for group treatment, which is nominated to represent the group. It is registered for VAT and is responsible for completing VAT returns and paying, or reclaiming VAT on behalf of all the other members of the group.
<b>representative member</b>	In VAT, the company in a group which is responsible for the submitting the group's VAT returns.
<b>representative occupation</b>	For capital gains tax, a condition for claiming rollover relief.

**representative of non-UK resident**

The capital gains tax provisions are given in Taxation of Capital Gains Act 1992 from s271A.

**representative partner**

Member of a partnership who is responsible for declaring the income and capital gains of the **partnership**. This is then used by the individual **partners** in submitting their own tax returns. The term **nominated partner** is sometimes preferred.

A partner should usually accept his or her allocation of profits as declared by the nominated partner. If the partner disagrees with this figure, HMRC expects the partners to resolve the matter between themselves. Only if such resolution proves impossible, should the partner declare a different figure on his or her tax return.

**representative payment**

For the purposes of HMRC data-gathering powers for **transactions in securities**, "means a payment that is representative of an amount payable out of or in respect of securities or rights attaching to securities" (Finance Act 2011 Sch 23 para 19(4)).

**representee**

Person to whom a **representation** is made.

**reprice**

Change the price of something.

**reprimand**

Formal rebuke, particularly when given by a professional body for misconduct by a member. In this context, it is less severe than a severe reprimand and more severe than an admonition.

**reproducibility**

In evidence, the ability of a scientist or other expert to reproduce a test undertaken by an expert witness to produce the same result. This is part of the test of **interverifiability**.

**República Argentina**

Spanish: Argentine Republic.

**Republica de Angola**

Portuguese: Republic of Angola.

**Republica Federativa do Brasil**

Portuguese: Federative Republic of Brazil.

**Republic of Ireland**

Independent state of the island of Ireland, excluding Northern. The Republic was born as the Irish Free State on 6 December 1922 and became completely independent of the UK in 1949 when it became a Republic. It joined the EU at the same time as the UK in 1973.

Tax in the Republic is very similar to that in the UK, based on the common system before independence. Terms such as P45 and Schedule E have the same meaning.

Since 2002, the Republic uses the **euro** as its currency and the **calendar year** as its tax year.

Income tax is assessed under **Schedules C** to F which have the same meaning as they had in the UK (except they have no Schedule D Case VI). It is charged at a standard rate of 20% and then a higher rate of 41%. The amount may be reduced by **tax credits**. These replaced the UK-style allowances in

2001.

An income levy was introduced from 2009 as an addition to income tax. Discretionary trusts also pay an additional tax.

Corporation tax is charged at the low rates of 10% and 12.5%.

Employment income is collected under **PAYE** which is similar to the UK system but is completely independent of it. Other income tax is paid under self-assessment.

Pay Related Social Insurance (PRSI) is charged under various classes as the equivalent to national insurance.

Capital gains tax is charged at 22% or 25%.

VAT is levied at rates ranging from 0% to 21%.

Deposit interest retention tax (DIRT) is charged on interest on bank accounts.

Stamp duty is charged on property conveyancing, share transfers, cheques, payment cards and insurance policies.

Capital acquisitions tax is the equivalent of inheritance tax, charged at 25% above a threshold.

The Republic also charges withholding taxes, relevant contracts tax, dividend withholding tax, excise duties, plastic bag levy, vehicle registration tax, non-principal private residence levy, motor tax and local taxes.

**Republika Bulgariya**

Bulgarian: Republic of Bulgaria.

**Republika y'u Burundi**

Kirundi (official language): Republic of Burundi.

**Republik Österreich**

German: Republic of Austria.

**République du Bénin**

French: Republic of Benin.

**République du Burundi**

French: Republic of Burundi.

**repudiation**

Refusal to accept something which has previously been accepted, or the removal of such acceptance often by a higher authority.

**repurchase**

Buy something again.

**repurchase agreement**

Agreement between a company and its shareholder whereby the company makes arrangements to buy back the shares. The tax implications are set out in Income and Corporation Taxes Act 1988 s231AB.

**repurchase price**

Amount payable under a **repo** contract.

The capital gains tax implications are given in Taxation of Capital Gains Act 1992 from s261F.

**reputation**

The extent to which tax relief may be claimed for protecting one's reputation is discussed in the Inspectors' Manual at BIM37965. A leading case is *McKnight v Sheppard* [1999] 71TC419.

**reputational damage**

Damage to the reputation of an individual or business.

In the case *Lunn v HMRC*. [2011] EWHC 240, HMRC expressed its

concern to avoid reputational damage to **tax agents**.

<b>REQAE</b>	Prefix for HMRC's tax manual on requesting AC-e assistance from an OMS under administrative cooperation in excise.
<b>request for abandonment</b>	Application to Customs made jointly by a <b>right-holder</b> and interested parties for imported goods to be destroyed. This procedure is used when goods are intercepted for breaching intellectual property rights, such as smuggling in pirated goods. The procedure is given in Customs notice 34.
<b>requirement</b>	Something which is needed for a particular purpose.
<b>required information</b>	Information which a person must provide to another, particularly tax information which must be provided to HMRC under Taxes Management Act 1970 s20(7AC).
<b>required rate of return</b>	Amount of <b>return</b> which an investor is looking for in an investment.
<b>requirement to correct (RTC)</b>	Legal obligation for those with undeclared tax obligations from overseas matters to declare them to HMRC by 30 September 2018.
<b>re-registration</b>	Changing the status of a registered company, particularly from a private to a public company (Companies Act 2006 ss90-96) or from a public to a private company (ibid ss97-101).
<b>RES</b>	(1) Race Equality Scheme (2) Retail Export Scheme – a voluntary scheme that allows a VAT registered retailer to zero-rate a supply of goods sold to entitled customers (usually overseas visitors). The scheme is subject to conditions.
<b>res</b>	Latin: things.
<b>RESA</b>	Regulatory Enforcement and Sanctions Act.
<b>res accessoria sequitur rem principalem</b>	Latin: accessory things follow principal things.
<b>RESACE</b>	Prefix for HMRC's tax manual on responding to requests from OMS under administrative cooperation in excise.
<b>resale</b>	Selling of goods which have been bought for that purpose.
<b>resale price maintenance (RPM)</b>	Arrangement whereby a manufacturer states the price at which an item may be sold and retailers are not allowed to sell it for less. Generally such schemes are now illegal under competition law.
<b>reschedule</b>	Arrange a new timetable for something, particularly for the payment of debts.



<b>rescind</b>	Cancel, repeal or annul the effect of something.
<b>rescission</b>	Ending of an arrangement by one party to it, such as termination of an insurance contract by the insurer on the grounds of mis-statement by the insured.
<b>rescue equipment</b>	For VAT on <b>charity funded equipment</b> , rescue equipment is as defined in VAT leaflet 701/6. There is a separate category of zero-rating for <b>lifeboats</b> .
<b>research</b>	In accounting, "original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding" (FRS 102 glossary).
<b>research and development</b>	Expenditure by an organisation in trying to develop new products. It is vital that firms spent a significant amount on this if they are to stay ahead of the competition and be able to launch new and innovative products. For capital allowances, the term — “(a) means 73activities that fall to be treated as research and development in accordance with generally accepted accounting 73practice73, and (b) includes oil and gas exploration and appraisal” (Capital Allowances Act 2001 s437(2)). Expenses are allowable as a tax deduction (Corporation Tax Act 2009 s87 and Income Tax (Trading and Other Income) Act 2005 s87). Some expenditure may qualify for an <b>enhanced capital allowance</b> . The rates for small and medium-sized entities are given in Corporation Tax Act 2009 from s1039.
<b>research and development allowances</b>	The provisions are given in Capital Allowances Act 2001 from s437.
<b>research and development expenditure credit (RDEC)</b>	Sum paid in lieu of research and development credit to a company that does not pay corporation tax, often because it has yet to earn profits. The sum is 12% of expenditure (11% before 1 January 2018, and 49% for certain ring fence trades in the oil industry). The relevant law is Corporation Tax 2009 from s 104A as inserted by Finance (No 2) Act 2015 s31(2) from 1 August 2015, and Finance Act 2018 s19.
<b>Research England</b>	Committee of United Kingdom Research and Innovation (Higher Education and Research Act 2017 s92(1)).
<b>research institution</b>	For the purposes of income tax on their shares, this an educational or non-profit-making body engaged in research (Income Tax (Earnings And Pensions) Act 2003 s457). Payments by a company to such a body are tax-deductible (Corporation Tax Act 2009 s88).

**research institution spin-out company**

Trading company set up by a research institution, usually to exploit an invention or similar intellectual property.

There is a specific capital gains tax provision in Taxation of Capital Gains Act 1992 s149AB.

There are specific income tax provisions in relation to their shares in Income Tax (Earnings And Pensions) Act 2003 from s451.

**reseller**

Someone who sells goods bought for the purpose, particularly when the people to whom the goods are sold acquire them for sale.

**reservation of title**

Clause in a contract which says that ownership of supplied goods only passes when they have been paid for. Such a clause is sometimes known as a **Romalpa clause**.

For a supplier, this has the advantage that if the customer becomes insolvent, the supplier can claim back the goods which minimises the loss. Otherwise, the supplier would be an **unsecured creditor** and would receive little or nothing of the sum owed.

For accounting purposes, reservation of title clauses are usually ignored.

**reserve**

Sum set aside in the accounts for a particular future purpose.

In insurance, it is the sum set aside by an insurance company as a liability to meet future claims and other obligations.

**reserve currency**

Strong currency used in international trade, and held by countries whose own currency is not strong.

**reserve forces**

Collective term for **reservists**, individuals who work in civilian duties but who have military training and can be called up for military duty. They are listed in PAYE regulations SI 2003 No 2682 reg 122(2). The Ministry of Defence may withhold PAYE from their pay under reg 124.

**reserve for fluctuations**

Money put aside to deal with day-to-day variations in exchange rates.

**reserve fund**

Profits of a business which have been retained for a specific purpose.

The term has a specific meaning for **marketing authorities** (Corporation Tax Act 2009 from s153).

**reserve price**

Minimum price which a seller is prepared to accept in an auction.

**reserved forces**

"The Royal Fleet Reserve, the Royal Navy Reserve, the Royal Marines Reserve, the Territorial Army, the Royal Air Force Reserve or the Royal Auxiliary Air Force" (Armed Forces Act 2006 s374).

<b>reserved legal activity</b>	Term used in Legal Services Act 2007 s12(1) to mean the right of audience in court, conduct of litigation, reserved instrument activities, probate, notarial activities and the administration of oaths.
<b>reserved occupation</b>	Occupation which was considered essential and therefore excused the person from military duty during the war. The list was first issued to <i>prevent</i> essential workers from joining the military.
<b>reserved Schedule D status</b>	<p>Special tax provision for certain actors and other entertainers.</p> <p>On 28 February 1990, Inland Revenue (now HMRC) decided that the standard Equity contract made the actor or entertainer an employee and assessable to income tax under what was then Schedule E. However those who had already established their self-employed status are allowed to keep it.</p>
<b>reserve price</b>	Minimum price that a seller will accept at auction. Usually, the price is not made known in advance to bidders. If the reserve price is not reached, the item is not sold but returned to the seller.
<b>reserves</b>	Amounts of retained profit which are retained for either a general or specific purpose.
<b>reserves policy</b>	For charities, a policy not to spend all money when received but to keep back some finance. This is particularly important when a charity largely relies on a single source of funding.
<b>reservists</b>	<p><b><i>Employment and income tax</i></b></p> <p>People in normal occupation who can be called up for military duty.</p> <p>A training allowance for such a person is not a taxable benefit (Income Tax (Earnings And Pensions) Act 2003 s298).</p> <p>For PAYE, they are called <b>reserve forces</b> which is defined in PAYE regulations SI 2003 No 2682 reg 122(2). The Ministry of Defence may deduct PAYE under reg 124.</p> <p><b><i>Pension for early retirement</i></b></p> <p>A reservist may retire on a personal pension below the age of 50, provided:</p> <ul style="list-style-type: none"><li>• the person had the right by 5 April 2006,</li><li>• the right was unqualified in that it needed no other person to consent,</li><li>• the right was set out in the governing documentation of the pension scheme by 10 December 2003.</li></ul> <p>(SI 2005 No 3451, as explained in the Inspector's Manual at RPSM 03106035).</p>
<b>reservoir</b>	For capital allowances, this is specifically excluded from the scope of plant and machinery (Capital Allowances Act 2001 s22(1) List B).
<b>reset bond</b>	Bond used to reset an interest rate (Corporation Tax Act 2009 s454).

- resettlement grant** Sum paid to a person to adopt a different way of life, such as when a person emigrates or when a politician ceases to hold office.
- res furtivae** Latin: stolen goods.
- res gestae** Facts relating to a transaction that is the subject of legal proceedings. This legal rule can admit observations by people that would otherwise be ruled inadmissible as hearsay.
- residence**
- Country**  
The country where a person lives. It has tax implications as set out in Income Tax (Trading And Other Income) Act 2005 from s17.  
Guidance on company residence is given in Corporation Tax Act 2009 from s13 and in statement of practice SP1/90.
- Property**  
The premises in which a person lives.  
For employment, it is where the employee lives (Income Tax (Earnings And Pensions) Act 2003 s276). An employee who is obliged to change residence may be paid tax-free **relocation expenses**.

**residence nil rate band (RNRB)** An addition to the nil rate band for inheritance tax that may be claimable when a family home passes to the children or other descendants of the deceased.

This provision is enacted in Inheritance Tax Act 1984 ss8D-8M by Finance (No 2) Act 2015 s9. It applies for deaths from 6 April 2017.

The main provisions are:

- the property must have been used as a residence and not, for example, as a buy-to-let property
- the deceased must have owned the property or had another “qualifying residential interest”
- where the property has previously passed to a surviving spouse, it may be added to the amount of transferable nil rate band on the second death
- the property must pass to a child or remoter descendant of the deceased. This includes a stepchild, adopted child, foster child and grandchild
- RNRB may be claimable when the property has been held in a trust.

The amount of RNRB is:

Tax year	Amount of RNRB
2017/18	£100,000
2018/19	£125,000
2019/20	£150,000
2020/21	£175,000

This means that by 2020/21, it is possible for a couple to leave £1 million of their property to their children. This is the nil rate band of £325,000 plus £175,000 RNRB for each of them.

If the value of the property exceeds £2 million, the relief is reduced by £1 for every £2 excess. This means that RNRB is lost if the value exceeds:

$$£2 \text{ million} + (2 \times \text{RNRB})$$

which is £2.2 million in 2017/18, and £2.35 million in 2020/21.

The relief extends to proceeds from the sale of a property where the deceased downsized during their lifetime.

The RNRB is index-linked after 2020/21.

<b>residence permit</b>	Authority issued by a state allowing a person to live there.
<b>residence requirement</b>	Requirement that an offender subject to certain types of order must reside at a specified place (Criminal Justice Act 2003 s206).
<b>residence restriction</b>	Condition which may be imposed on an unlawful immigrant pending his removal (Asylum and Immigration (Treatment of Claimants etc) Act 2004 s36).
<b>resident</b>	Person who lives in a particular area or building.
<b>residential address</b>	Where a person lives. A company director once has to disclose his home address in the <b>register of directors</b> . It is now permissible for the director to give a <b>service address</b> which may be the company's registered office (Companies Act 2006 s163(5)).
<b>residential care home</b>	This activity is excluded from the tax relief for venture capital trusts by Income Tax Act 2007 s309. For this purposes s309(3) defines a residential care home as "any establishment which exists wholly or mainly for the provision of residential accommodation, together with board and personal care, for persons in need of personal care because of: (a) old age; (b) mental or physical disability; (c) past or present dependence on alcohol or drugs; (d) any past illnesses; or (e) past or present mental disorder".
<b>residential dwelling</b>	In relation to <b>starter homes</b> , "means a development that includes at least one dwelling" (Housing and Planning Act 2016 s8).
<b>residential landlord</b>	"Means a landlord of housing" (Housing and Planning Act 2016 s56).
<b>residential mortgage-backed security (RMBS)</b>	Financial instrument similar to the <b>collateralized debt obligation</b> , though technically different. It was pioneered by Lehman Brothers in 2004 and contributed to the bank's collapse.
<b>residential park home</b>	For VAT, this may come within the definition of a zero-rated <b>caravan</b> . Guidance is given in VAT notice 701/20.
<b>residential property</b>	"Means premises in England and Wales consisting of a single dwelling-house, including any ancillary land" (Housing Act 2004

s148(1)).

<b>residential status</b>	In relation to identity documents about A, “means — (a) A’s nationality, (b) A’s entitlement to remain in the United Kingdom, and (c) if that entitlement derives from a grant of leave to enter or remain in the United Kingdom, the terms and conditions of that leave” (Identity Documents Act 2010, now repealed s8(2)).
<b>residential trip</b>	School trip which involves children staying overnight. There are provisions for relieving parents of the cost of such trips under Education Act 1996 s457 as amended by Education Act 2002 s200.
<b>resident period</b>	Period in which a <b>migrating settlement</b> was UK resident (Taxation of Capital Gains Act 1992 s89).
<b>residual amount</b>	In relation to leases, “means so much of the fair value of the plant or machinery subject to the lease as cannot reasonably be expected to be recovered by the lessor from the payments under the lease” (Capital Allowances Act 2001 s70YE(3)).
<b>residual entity</b>	In relation to savings income, this term is defined in Importing of Savings Income Information Regulations SI 2003 No 3297 reg 4.
<b>residual input tax</b>	Input tax incurred by a business on goods and services used or to be used in making both taxable and exempt supplies. This value is apportioned between taxable and exempt supplies by the partial exemption method.
<b>residual income</b>	Net profit before tax minus a nominal interest charge for the cost of capital. This measure is often used to assess the performance of a division.
<b>residual or scrap value</b>	In relation to <b>wasting assets</b> , means “the predictable value, if any, which the wasting asset will have at the end of its predictable life” (Taxation of Capital Gains Act 1992 s44). Other parts of this section indicate how this is to be calculated.
<b>residual profit</b>	For <b>patent box</b> , additional income generated by a patent as determined by the calculation method specified by HMRC.
<b>residual subsidy</b>	A subsidy that could be paid by central government to a housing authority under Housing Finance Act 1972 s1.
<b>residual value</b>	“The estimated amount that an entity would currently obtain from disposal of an asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life” (FRS 102 glossary).

“The net realisable value of an asset at the end of its useful economic life. Residual values are based on prices prevailing at the date of acquisition (or evaluation) of the asset and do not take account of expected future price changes” (FRS 10 para 2).

For lessees under long funding operating leases, the term is defined in Income Tax (Trading and Other Income) Act 2005 s148J(2).

<b>residuary devisee</b>	In executorship, a person entitled to the residue of the testator's land and buildings (Wills Act 1837 s25).
<b>residuary estate</b>	Testator's property not otherwise specifically bequeathed or devised (Administration of Estates Act 1925 s33(4)).
<b>residuary legacy</b>	Legacy of whatever is left when all other legacies have been paid.
<b>residue</b>	Something left over, such as money left over after all expenditure has been met. In executorship, the term means what is left of a person's estate after payment of all taxes, debts, funeral expenses, legacies and similar. The will should specify who is entitled to the residue.
<b>residue of capital expenditure</b>	In relation to capital allowances, this “is the qualifying expenditure that has not yet been written off in accordance with Chapter 9” (Capital Allowances Act 2001 s360K).
<b>residue of the suggestion maximum</b>	Amount that may be paid tax-free to an employee as a <b>suggestion award</b> when a previous payment has been made (Income Tax (Earnings And Pensions) Act 2003 s322).
<b>resignation</b>	(1) Voluntary ending on one's employment or similar standing down from an office. (2) In human resources, Self-pity and similar behaviour which avoids dealing with a problem.
<b>resignation letter</b>	Letter from an employee stating why they are ending their employment and giving the date from which it is ended.
<b>resignation of auditor</b>	When an auditor gives notice of his ceasing to act in that capacity for any reason. The legal consequences are explained in Companies Act 2006 ss516-526.
<b>resigning auditor</b>	Auditor who has resigned his appointment as such. Such an auditor has certain statutory rights, including the right to issue a statement to members on why he has resigned (Companies Act 2006 s518(3)).

<b>res integra</b>	A matter that is governed by no known rule of law but which must be determined upon principle.
<b>res inter alios acta alteri nocere non debet</b>	Latin: a transaction between others does not prejudice one who was not a party to it.
<b>res ipsa loquitur</b>	Latin: the thing speaks for itself. This term is particularly used in cases of negligence, as in <i>Byrne v Boodle</i> [1863].
<b>res judicata</b>	Latin: a thing adjudicated. This is the legal principle that once a matter has been determined by a court, tribunal or other judicial authority, the decision stands unless overturned by a higher court. It also means that the matter cannot be litigated again.
<b>res nova</b>	Latin: a new thing, particularly a legal matter not yet settled.
<b>res nullius</b>	A thing that has no owner. The meaning is similar to <b>bona vacantia</b> .
<b>resolution</b>	Motion to be debated by a board, committee or similar body.
<b>resolution for voluntary winding-up</b>	Resolution made by the members of a company to wind it up (Insolvency Act 1986 s84(1)).
<b>resolute jure concedentis resolvitur jus concessum</b>	Latin: the grant of a right comes to an end on the termination of the right of the grantor.
<b>resolution plan</b>	Document that sets out the circumstances when a business may fail. For financial institutions, the provisions of such plans are addressed in Financial Services and Markets Act 2000 s139C.
<b>resolve</b>	Settle a disagreement, such as in the workplace.
<b>resource equalisation</b>	Process introduced by central government in 2003/2004 as part of the grant review which aims to bring the average assumed level of council tax which authorities need to charge broadly in line with actual council tax levels.
<b>resource spending</b>	"Current government expenditure, such as staff pay, running costs, procurement and grants" (HM Treasury glossary).
<b>resources</b>	Those things that are required for an organisation to function. The main resources are material, labour and funding. Where one resource is limited, that becomes a <b>constraint</b> . The cost of using that resource is an <b>opportunity cost</b> .
<b>respect principle</b>	In relation to mental health, "people decision under the [Mental Health Act 1983 and subsequent legislation] must recognise and respect the diverse



needs, values and circumstances of each patient, including their race, religion, culture, gender, age, sexual orientation and any disability. They must consider the patient's views, wishes and feelings (whether expressed at the time or in advance), so far as they are reasonably ascertainable, and follow those wishes wherever practicable and consistent with the purpose of the decision. There must be no unlawful discrimination" (Code of Practice: Mental Health Act 1983 para 1.4).

**respite care**

Care for a person provided by someone other than the usual carer, so that the carer may have a break.

**respondent superior**

Latin: let the principal answer. Where an employment exists, the employer is liable for the acts of the employee in the employment. See also **vicarious liability**.

**respondent**

Party to a tribunal hearing against whom the proceedings are brought. The party bringing the proceedings is called the **appellant**.

For tax hearings, the term "means —

(a) HMRC, where the appellant (or one of them) is not HMRC;

(b) in proceedings brought by HMRC alone, a person against whom the proceedings are brought or to whom the proceedings relate;

(c) a person substituted or added as a respondent under rule 9 (substitution and addition of parties)"

(The Tribunal Procedure (First-tier Tribunal) (Tax Chamber) Rules SI 2009 No 273 rule 1(3)).

**response document**

Document published by a company in response to an **offer document** in a takeover bid.

Such a document must comply with Article 9.5 of the Takeover Directive, and is defined as such in Companies Act 2006 s953(9).

**response document rules**

"Rules designated as rules that give effect to the first sentence of Article 9.5 of that [Takeovers] Directive" (Companies Act 2006 s953(9)).

**responsibility**

In relation to negligence, "the court must have regard to whether the person, in carrying out the activity of which the alleged negligence or breach of statutory duty occurred, demonstrated a predominantly responsible approach towards protecting the safety or other interests of others" (Social Action, Responsibility and Heroism Act 2015 s3).

**responsibility accounting**

Financial records that indicate who is responsible for each item.

**responsibility centre**

In management accounting, an area of responsibility that is controlled by an individual, such as a cost centre or profit centre.

**responsibility for children and young persons**

For **universal credit**, one of the additions that may be made to the

**standard allowance.**

The relevant law is Welfare Reform Act 2012 s10.

**responsible clinician**

Person who makes judgments about a patient's mental capacity under Mental Health Act 2007.

**responsible paying authority (RPA)**

"An occupational pension scheme or other body, eg an insurance company, responsible for paying a GMP or protected rights" (CA 84 Stakeholders Pension Scheme Manual, published by HMRC).

**responsible person**

In relation to employer's pension schemes, the person who is responsible as set out in Income Tax (Earnings And Pensions) Act 2003 s399A.

**Respublika Byelarus'**

Belarussian: Republic of Belarus.

**restaurant**

This is a **trade related property**.

**restaurateur**

Keeper of a restaurant. Note that there is no letter N in this word.

**rest break**

Break from work, usually when an employee may eat and drink. Minimum rest breaks are specified in the **Working Time Directive**.

This Directive, effective from 1 October 1998 under SI 1998 No 1833, specify these rest breaks:

- 11 consecutive hours in every 24 hours
- short break every 6 consecutive hours
- one rest day each week
- four weeks paid holiday per year (increased to 5.6 weeks under UK law).

For the **national minimum wage**, rest breaks do not count as working hours.

**restate**

Where a figure which has already been published in accounts is retrospectively changed. This is where we have changed figures that we have been published in the past to show like-for-like comparisons with later year's figures.

**restated figures**

Accounts, or figures in accounts, which have been amended to correct an error or to reflect the true and fair position more accurately.

**restaurant**

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

From	Percentage
<b>4 January 2011</b>	12.5%
<b>1 January 2010</b>	11%
<b>1 December 2008</b>	10.5%

1 January 2004

12%

<b>restitution</b>	Compensation paid to bring a person back to the place they should have been, such as when the person was previously overcharged.
<b>restitutionary claim</b>	Claim for money to be returned such as when an overpayment has been made. The right of someone to make such a claim does not prevent the possessor of the money being taxed on it as trading income ( <i>Pertemps Recruitment Partnership Ltd v HMRC [2011] UKUT B8</i> ).
<b>restitution interest</b>	<p>Interest paid by HMRC in respect of overpaid corporation tax.</p> <p>From 21 October 2015, this is subject to corporation tax at 45% to reflect the higher rates of corporation tax that have been historically charged, even though corporation tax has not been that high since 1984. The relevant law is Corporation Tax Act 2010 from section 357YA as inserted by Finance (No 2) Act 2015 s38(3).</p> <p>The definition of restitution interest is given in Corporation Tax Act 2010 s357YC. From 14 March 2017, this is amended by SI 2017 No 364.</p>
<b>restitution payments rate</b>	<p>Rate of corporation tax charged on <b>restitution interest</b>.</p> <p>The rate is 45% (Corporation Tax Act 2010 s357YK(2)).</p>
<b>restocking directions</b>	In Scotland, directions in relation to forest trees as set out in Forestry and Land Management (Scotland) Act 2018 from s36.
<b>restoration</b>	<p><b>General</b></p> <p>Putting something or someone back into a place previously occupied, such as restoring Charles II as monarch in 1660.</p> <p><b>Customs</b></p> <p>For Customs, the term specifically means asking to have back goods which the owner believes were properly seized by Customs or where the legality of seizure is disputed.</p> <p>The process is set out in Customs leaflet 12A.</p> <p><b>Decommissioning relief</b></p> <p>In terms of <b>decommissioning expenditure</b> that qualifies for a <b>decommissioning relief agreement</b>, the term “includes landscaping” (Finance Act 2013 s81(4)).</p> <p>The term is further defined in Capital Allowances Act 2001 s416ZA(7) as inserted by Finance Act s92(5).</p> <p>For mineral extraction, the term is defined in Capital Allowances Act 2001 s416(5).</p> <p><b>Company law</b></p> <p>In company law, the term refers to a company that is restored to</p>

the register at Companies House having been struck off. The procedure is given in Companies Act 2006 from s1024.

- restoration fee** Fee paid to Customs in connection with a claim for **restoration** of seizure goods. If the seizure is successfully challenged, the fee is refunded. Further guidance is given in Customs leaflet 12A.
- restorer** In relation to the **repair rule** for relief from the remittance basis, the term is defined in Income Tax Act 2007 s809Z3(5).
- restoration order** Order made by the **Pensions Regulator** when a final salary (or defined benefit) occupational pension scheme has made a **transaction at undervalue**.  
[The term also has other legal uses, such as to restore devolved government in Northern Ireland.]
- restore button** In computing, this is a small icon which the user may click to restore the **window** to its full size. In Microsoft this looks like two overlapping documents.
- restraint of trade** Contract that seeks to limit the trading activities of one of the parties.  
A complete restraint of trade is usually void. A partial restraint of trade may be legal.
- restraint order** Order which a Crown Court may make under Proceeds of Crime Act 2002 s41. This prohibits a person from dealing with any of his realisable property.
- restrict** Limit something, such as by imposing rules or setting a financial limit.
- restricted DOB information** The day of the month in which a director or PSC was born. Such information must be filed at Companies House but is not made generally available from 1 October 2015 to help deter identity theft. The information may be passed to a proper public authority such as the police. A definition and the relevant provisions are given in Companies Act 2006 s1087A as inserted by Small Business, Enterprise and Employment Act 2015 s96.
- restricted funds** Grants and donations, particularly to a church or charity, which are made for a clearly specified purpose and can be used for none other.
- restricted goods** Goods needing a licence or certificate before they can be imported into, or exported from, the UK. This contrasts with **prohibited goods** that cannot be imported at all.  
Restricted goods include "firearms, explosives and ammunition, live animals, endangered species, certain plants and their produce, and radio transmitters" (Customs notice 3).

The legal definition is “goods of a class or description of which the importation, exportation or carriage coastwise is for the time being prohibited or restricted under or by virtue of any enactment” (Customs and Excise Management Act 1979 s1(1)).

**restricted interest in securities**

In relation to **employment-related securities**, this term is defined in Income Tax (Earnings And Pensions) Act 2003 s423.

**restricted occupancy**

When premises may only be occupied as a residence for part of the year. For a **caravan**, this can affect the VAT charged for a caravan site, as explained in leaflet VAT 701/20.

**restricted right to dividends**

For corporation tax, term used in relation to shareholdings. It is extensively defined in Corporation Tax Act 2010 s161.

**restricted securities**

In relation to **employment-related securities**, this term is defined in Income Tax (Earnings And Pensions) Act 2003 s423.

**restricted shares**

In relation to share award schemes for employees, the term has the same meaning as **forfeitable shares**, namely shares that are issued to an employee but which can be forfeited if a performance condition is not met (Inspector's Manual at BIM 44010).

In terms of corporation tax relief for employee share schemes, the term “means shares that are —

(a) restricted securities, or

(b) a restricted interest in securities”

(Corporation Tax Act 2009 s1005).

**restricted stock units (RSU)**

“Deferred share awards made overseas” (Inspectors' Manual at ERSM70450).

An RSU is usually structured to give an employee shares in a business if certain conditions are met. They comprise earnings under Income Tax (Earnings And Pensions) Act 2003 Chapter 5 Part 2, with special provisions for non-resident taxpayers who become UK-resident.

**restricted use undertaking**

Undertaking given by the Director of Service Prosecutions that evidence given by a person will not be used against that person. (Armed Forces Act 2006 s304B as inserted by Armed Forces Act 2016 s8).

**restriction**

**Accounting**

“A requirement that limits or directs the purposes for which a resource may be used that does not meet the definition of a **performance-related condition**” (FRS 102 glossary).

**Land law**

In law, a notice to the Land Registry that a charging order has been

	made on a property.
<b>restriction of processing</b>	In relation to data processing, "means the marking of stored personal data with the aim of limiting its processing for the future" (Data Protection Act 2018 s33(6)).
<b>restriction on disposal</b>	Such a restriction may reduce the value of an asset for capital gains tax or inheritance tax purposes.
<b>restriction on shares</b>	Any arrangement that limits the rights of a shareholder in relation to his or her shares. For a public company, such a restriction may be challenged. The provisions are set out in Companies Act 2006 ss794-802.
<b>restrictions and sanctions</b>	Rules governing goods which need a licence or certificate before they can be imported into, or exported from, the UK.
<b>restrictive covenant</b>	Clause in a contract which prevents someone from doing something, particularly a clause in a contract of employment which imposes restrictions on what an employee may do. Whether such a payment is revenue or capital is discussed in the Inspectors' Manual at BIM35595.
<b>restrictive indorsement</b>	An indorsement on a <b>bill of exchange</b> or <b>promissory note</b> that seeks to restrict its negotiability. Examples include restrictions on whom may be paid or where.
<b>restrictive undertaking</b>	In relation to payments to directors and employees, means "an undertaking which restricts the individual's conduct or activities. For this purpose it does not matter whether or not the undertaking is legally enforceable or is qualified" (Income Tax (Earnings And Pensions) Act 2003 s225(8) and Corporation Tax Act 2009 s69).
<b>restructuring</b>	For accounting, "restructuring is a programme that is planned and controlled by management and materially changes either: (a) the scope of a business undertaken by an entity; or (b) the manner in which that business is conducted" (FRS 102 glossary). A previous definition was a programme that is planned by the management of an organisation in relation to the scope of its activities or how they are performed (FRS 12).
<b>rests</b>	In banking, periodic balancings of an account to convert interest to principal for the purpose of calculating compound interest.
<b>resulting ownership change</b>	For the purposes of corporation tax, means a change in ownership of a company in accordance with Condition A in Corporation Tax Act 2010 s719 (Corporation Tax Act 2010 s724A(2) as inserted by

Finance Act 2014 s37(4)).

<b>resulting trust</b>	Trust which arises from the conduct of the parties.
<b>resuscitation dummy</b>	Another name for a <b>resuscitation training model</b> .
<b>resuscitation training model</b>	For VAT on <b>charity funded equipment</b> , such a model must comprise at least a head and torso and be "designed for use during first aid training in cardiopulmonary resuscitation and/or defibrillation techniques" (VAT notice 701/6).
<b>retail</b>	Sale of items to the general public in quantities small enough for their personal use. Supplies in larger quantities to retailers are known as <b>wholesale</b> .
<b>retail banking</b>	Services provided by a bank to members of the public. Such services include cheque book accounts, deposit accounts, issue of various cards, mortgages, investments and the provision of other financial services.
<b>retail credit</b>	Arrangement to buy goods and pay by instalments. The goods are taken back if payment is not made.
<b>retail dealer</b>	Person who sells directly to the general public.
<b>retail deposit</b>	Deposit placed by an individual with a bank.
<b>retail distribution review</b>	Proposals to change the regulation of financial advisers from 2013.
<b>retail elephant</b>	Business that dominates or monopolises an area.
<b>retail investor</b>	Ordinary individual who invests, as against an institutional investor.
<b>retail price</b>	Price at which goods are sold by a retailer to a customer.
<b>retail price maintenance (RPM)</b>	System of law which once operated in the UK under which a manufacturer set a retail price. Shops committed an offence if they sold goods for less than this price.
<b>Retail Prices Index (RPI)</b>	Index that measures increases in prices of consumer goods. For general economic use, it has now largely been replaced by the <b>consumer price index (CPI)</b> . However RPI is still used to index various tax allowances, social security payments and National Savings products.
<b>Retail Scheme</b>	A method of arriving at the value of VAT due on retail sales where this is not separately identified at the point of sale. There are a number of these schemes.

- retail service providers (RSPs)** Term used from 1997 for **marketmakers** when the **SETS** share trading system was used.
- retailer** Shop or other business that sells goods directly to consumers.
- retain** Keep rather than pass on, such as profits which are retained by the business for its future development or commission which a seller deducts from money collected.
- retained amount** In relation to the lifetime allowance charge for pension contributions, the term is given a specific meaning in Finance Act 2004 s215(7).
- retained assets** Term used in Income and Corporation Taxes Act 1988 s444AB(6A) regarding the tax consequences of a transfer of annuity business.
- retained case law** In relation to Brexit, “means —  
(a) **retained domestic case law**, and  
(b) **retained EU case law**.  
(European Union (Withdrawal) Act 2018 s6(7)).
- retained direct minor EU legislation** In relation to Brexit, “means any retained direct EU legislation which is not **retained direct principal EU legislation**” (European Union (Withdrawal) Act 2018 s7(6)).
- retained direct principal legislation** In relation to Brexit, “means —  
(a) any EU regulation so far as it —  
(i) forms part of domestic law on and after **exit day** by virtue of section 3, and  
(ii) was not EU tertiary legislation immediately before exit day, or  
(b) any Annex to the EEA agreement so far as it —  
(i) forms part of domestic law on and after exit day by virtue of section 3, and  
(ii) refers to, or contains adaptations of, any EU regulation so far as it falls within paragraph (a),  
(as modified by or under this Act or by other domestic law from time to time).  
(European Union (Withdrawal) Act 2018 s7(6)).
- retained domestic case law** In relation to Brexit, “means any principles laid down by, and any decisions of, a court or tribunal in the United Kingdom, as they have effect immediately before **exit day** and so far as they —  
(a) relate to anything to which section 2, 3 or 4 applies, and  
(b) are not excluded by section 5 or Schedule 1”  
(European Union (Withdrawal) Act 2018 s6(7)).
- retained earnings** Accumulated past profits, not distributed in dividends, available to finance investment in assets.



<b>retained EU case law</b>	In relation to Brexit, “means any principles laid down by, and any decisions of, the European Court, as they have effect in EU law immediately before <b>exit day</b> and so far as they — (a) relate to anything to which section 2, 3 or 4 applies, and (b) are not excluded by section 5 or Schedule 1” (European Union (Withdrawal) Act 2018 s6(7)).
<b>retained EU law</b>	In relation to Brexit, “means anything which, on or after <b>exit day</b> , continues to be, or forms part of, domestic law by virtue of section 2, 3 or 5 or subsection (3) or (6) above (as that body of law is added to or otherwise modified by or under this Act or by other domestic law from time to time” (European Union (Withdrawal) Act 2018 s6(7)).
<b>retained general principles of EU law</b>	In relation to Brexit, “means the general principles of EU law, as they have effect in EU law immediately before <b>exit day</b> and so far as they — (a) relate to anything to which sections 2, 3 or 4 applies, and (b) are not excluded by section 5 or Schedule 1” (European Union (Withdrawal) Act 2018 s6(7)).
<b>retained liabilities</b>	Term used in Income and Corporation Taxes Act 1988 s444AB(6A) regarding the tax consequences of a transfer of annuity business.
<b>retained profit</b>	Profit of the period remaining after <b>dividend</b> has been deducted.
<b>retainer</b>	Money paid to someone other than as a reward for specific work, such as to be able to give advice or not to work for someone else.
<b>retene</b>	Hydrocarbon obtained from tar. Its formula is C <sub>18</sub> H <sub>18</sub> .
<b>retention</b>	The amount of risk retained by an insurance company and not reinsured. Also used in reference to the portion of premium that is used by the insurance company for administration costs.
<b>retention notice</b>	Notice that may be issued by the government to a public telecommunications operator to hold data (Data Retention and Investigatory Powers Act 2014 s1).
<b>retention of title</b>	Another name for <b>reservation of title</b> .
<b>retention payment (construction industry)</b>	A proportion of the contract price held back pending confirmation that the work has been properly carried out and that any faults have been remedied.
<b>retention-positive</b>	Description of an event which is intended to retain loyalties of customers, staff, suppliers or similar group. Such an event typically comprises lavish hospitality with a short speech of appreciation for the group. As costs of changing staff, finding new customers etc can be high, such events can be easily cost-justified.

<b>retiral</b>	US term which means the same as <b>retirement</b> .
<b>retire</b>	Finish work, usually because a person has reached a particular age.
<b>retirement</b>	Process of ceasing full-time work at a particular age (often 65).
<b>retirement age</b>	Age at which a person <b>retires</b> from work.
<b>retirement annuity</b>	Financial arrangement very similar to a <b>personal pension</b> . No new retirement annuity could be written from 1 July 1988 but existing retirement annuities may continue. Their operation and benefits were almost identical to personal pensions, though they were governed by different rules. For example, a retirement annuity could not be paid until the age of 60, whereas a personal pension could be paid from 55.
<b>Retirement annuity contract</b>	A retirement annuity contract or trust scheme previously approved by the Board under Chapter 3 of Part 14 of Income and Corporation Taxes Act 1988.
<b>retirement annuity trust</b>	Form of retirement provision for the self-employed and others in non-pensionable employment that could be approved by Inland Revenue before 1 July 1988 under Income and Corporation Taxes Act 1988 Part 14 Chapter 3. From 6 April 2006, such trusts are treated as a registered pension scheme.
<b>retirement benefit plan</b>	For accounting, "arrangements whereby an entity provides benefits for employees on or after termination of service (either in the form of an annual income or as a lump sum) when such benefits, or the contributions towards them, can be determined or estimated in advance of retirement from the provisions of a document or from the entity's practice" (FRS 102 glossary).
<b>retirement benefit scheme</b>	A retirement benefit scheme is any of the following a scheme which was approved under Chapter 1 of Part 14 of Income and Corporation Taxes Act (Icorporation Tax Act) 1988; a relevant statutory scheme (as defined in s611A Icorporation Tax Act 1988).
<b>retirement benefits</b>	Amounts provided to a person who has retired, usually by the pension scheme.
<b>retirement pension</b>	Pension paid to a person who has <b>retired</b> .
<b>retiring partner</b>	Partner who leaves a partnership. Such a partner remains liable for debts and other obligations incurred before retirement (Partnership Act 1890 s17(2)) unless an agreement has been reached with the new partnership under <i>ibid</i> s17(3). For tax, a retirement ends a partnership and creates a new one unless the old and new partners sign an election to treat them as one continuing partnership.

<b>retraining course</b>	<p>If provided by an employer under certain conditions, this is exempt from income tax (Income Tax (Earnings And Pensions) Act 2003 s311).</p> <p>It is a tax-deductible expense for corporation tax under Corporation Tax Act 2009 s74, and for income tax under Income Tax (Trading and Other Income) Act 2005 s74.</p> <p>For a company with an investment business, relief is given under Corporation Tax Act 2010 s1238.</p>
<b>retrieval</b>	<p>In computing, process by which a computer accesses stored data.</p>
<b>retroactive</b>	<p>Description of tax provisions that apply to past periods. An example includes the treatment of <b>pre-owned assets</b>. Finance Act 2004 included several examples.</p>
<b>retrocession</b>	<p>A process by which a reinsurer obtains reinsurance from another company.</p>
<b>retrospection</b>	<p>Looking back.</p> <p>For tax law, it is a long-standing convention that the law is not changed retrospectively. A taxpayer should be able to determine his or her tax liability when making a transaction. There is no constitutional arrangement that prevents a government from making such a change.</p> <p>In practice, retrospective tax law is passed:</p> <ul style="list-style-type: none"><li>• from a date when the Chancellor of the Exchequer announced that the change was to be made,</li><li>• to correct an error or unintended consequence of a previous enactment, or</li><li>• to counter blatant tax avoidance.</li></ul> <p>Article 7 of the European Declaration of Human Rights forbids a trial of an offence that was not illegal when committed. In an Estonian case, this was successfully invoked when the Estonian tax authorities instituted criminal proceedings for tax offences committed between 1993 and 1995 using a law enacted in 1995. (<i>Puhk v Estonia</i>. ECHR Case 55103/00 [2004]).</p>
<b>retrospective application</b>	<p>In relation to accounting standards, “applying a new accounting policy to transactions, other events and conditions as if that policy had always applied” (FRS 102 glossary).</p>
<b>retrospective earnings</b>	<p>The PAYE provisions are given in PAYE regulations SI 2003 No 2682 reg 50A.</p>
<b>retrospective employment income</b>	<p>For PAYE, “means payments which are retrospectively treated as payments of employment income by virtue of retrospective tax provisions” (PAYE Regulations SI 2003 No 2682 reg 2(1)).</p>
<b>return</b>	<p><b>Investment</b></p> <p>The yield or reward from an investment. The reward earned for investing money in a business. Return may appear in the form of regular cash payments (dividends) to the investor, or in a growth in the value of the amount invested.</p> <p>For shares, this usually means dividends plus capital gains.</p>

### **Document**

(2) Form which must be submitted as part of a financial procedure, such as a tax return or company's annual return.

For tax management, "includes any statement or declaration under the Taxes Acts" (Taxes Management Act 1970 s118(1)).

### **return amendment**

An amendment made by a taxpayer to a return already submitted to HMRC.

A return amendment may be made up to 12 months after the **due date** for the original return. Such an amendment may be to correct an error, give the exact figure where an estimate was previously provided or similar purpose.

HMRC has an equivalent provision known as a **repair**, but their period is limited to nine months.

### **return date**

(1) Date by which a **return** must be submitted.

(2) For stock lending arrangements, "the date... on which the borrower transfers the relevant securities back to the lender" (Income Tax Act 2007 s597(3)).

### **return of allotment**

Form that a company must make to Companies House within one month of allotting shares (Companies Act 2006 s555).

### **return on ad spend (ROAS)**

Marketing measure on how much return has been generated by a specific advertising campaign.

### **return on assets**

Profit divided by the net assets of the undertaking.

### **return on capital**

**Profit** divided by **net assets** multiplied by 100.

### **return on capital employed (ROCE)**

Operating profit before deducting interest and taxation, divided by share capital plus reserves plus long-term loans. Return on capital employed measures the profit as a percentage of the capital employed (the total capital invested in the business). It is a measure of how well the money invested in the business is providing a return to the investors.

### **return on investment (ROI)**

Calculation used to determine the relative efficacy of an ad campaign in financial terms, in particular whether or not an ad campaign has generated more or less new revenue than it cost. Due to the direct response nature of many internet ad campaigns, it may be possible to determine ROI with much greater precision than, for example, a television commercial. The response to broader, branding-style campaigns may be more imprecise.

### **return on net assets**

Ratio of profits of a business as a percentage of its average net assets.

### **return on shareholders' equity**

Profit for shareholders divided by share capital plus reserves.

<b>return on total assets</b>	Operating profit before deducting interest and taxation, divided by total assets.
<b>return path</b>	The means by which a viewer may respond to an interactive advertisement. This usually requires connection to a digital telephone line or a DSL connection.
<b>returns</b>	Profits or income from investment.
<b>return to work credit</b>	Social security benefit that may be able for up to 52 weeks on starting a new job earning up to £15,000 a year. The benefit is paid under Employment and Training Act 1973 s2. The benefit is not subject to income tax (Income Tax (Earnings And Pensions) Act 2003 s677).
<b>revalorise</b>	Give a new value to, particularly of a currency.
<b>revaluation</b>	Process of attributing a different value to an asset to reflect the passing of time or some other factor. The corporation tax consequences of revaluing an intangible asset are addressed in Corporation Tax Act 2009 s723.
<b>revaluation method</b>	Method for revaluing an asset, particularly the depreciation policy for a fixed asset.
<b>revaluation provision</b>	"A provision in respect of a diminution in value of a fixed asset appearing on a revaluation of all the fixed assets of the company, or of all its fixed assets other than goodwill" (Companies Act 2006 s841(3)).
<b>revaluation reserve</b>	The claim which owners have on the <b>assets</b> of the business because the balance sheet records a market value for an asset that is greater than its historical cost.
<b>revalue</b>	Attribute a different value to an asset or liability.
<b>revenge porn</b>	Making public a nude or sexually explicit photograph of someone without their consent, such as to embarrass a former girlfriend. This is a crime from 13 April 2015 under Criminal Justice and Courts Act 2015 s33.
<b>Revenue, The</b>	Term sometimes used to mean Inland Revenue or (from 2005) the departments of HMRC that deal with direct taxes.
<b>revenue</b>	Income created by a transaction or event arising during the ordinary activities of the business which causes an increase in the ownership interest. "The gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in an increase in equity, other than increases relating to contributions from equity participants" (FRS 102 glossary). "Revenue is income that arises in the course of the ordinary activities of an entity, and is referred to by a variety of names including sales, fees, interest, dividends, royalties and rent" (FRS 102 section 2.25(a)).

The standard says that revenue is one of the two elements of income. The other is **gains**.

**revenue account** Account which deals with income and expenditure of the day-to-day activities, as against a **capital account**.

For local authorities, the term is defined in Local Government Act 2003 s22.

**Revenue Adjudicator** Original name for the **Adjudicator**.

**Revenue and Customs affairs** In relation to HMRC's powers to seize money from a taxpayer's bank account without needing the permission of any court, the term "in relation to a person by whom a relevant sum is payable, means any affairs of the person which relates to the relevant sum" (Finance (No 2) Act 2015 Sch 8 para 5(4)).

**Revenue and Customs briefs** Revenue and Customs briefs are bulletins giving information on developments and changes of interest. They are used to announce changes in policy or to set out the legal background to an issue and have a 6 month life span (HMRC website).

**Revenue and Customs Prosecution Office (RCPO)**

Body formed to conduct prosecutions for HMRC but independently from them. Their operation is similar to the Crown Prosecution Service.

The RCPO is headed by a director appointed by the Attorney General.

The current law for RCPO is Commissioners for Revenue and Customs Act 2005 s34.

**revenue charge** In VAT, the general rule that tax is charged according to the country where the supplier is based.

There are several exceptions to this rule, particularly with regard to intra-EU supplies.

**Revenue Decision (RD)** Statements from Inland Revenue (now HMRC) which clarify a point of tax law. Some were issued in 1983 since when no more have appeared.

They appear identical in purpose and status to **Revenue Interpretations**.

**revenue expenditure** Money spent on the day-to-day activities of an organisation or individual, as against **capital expenditure**.

**revenue expense** An amount spent on the day-to-day activities of an organisation or individual, as against a capital expense.

**Revenue Interpretation (RI)** A formal statement from HMRC (or Inland Revenue) on its view of a particular law. They were first issued in February 1983.

A taxpayer who follows an RI will not have that view challenged. However a taxpayer who dissents from an RI may adopt a different interpretation. The taxpayer should disclose this to HMRC, such as by an appropriate statement in the **white space** on a tax return.

<b>revenue ledger</b>	Record of all income and expenditure received by an organisation.
<b>Revenue-neutral policies</b>	If the government decide to reduce the level of taxation, they may also want to reduce the level of government expenditure by an equivalent amount. This would mean that the tax cut has no effect on the PSNCR (the level of government borrowing). It is therefore termed a revenue-neutral policy.
<b>revenue officer</b>	Person who works within a tax authority.
<b>revenue recognition</b>	<p><b>Accounting</b></p> <p>The point at which sales income is recorded in the accounts of a trading organisation.</p> <p>There is no formal accounting standard on this point, though some guidance may be discerned from Financial Reporting Standard FRS 5 and UITF 40.</p> <p>In practice, this is usually when an invoice is issued, that is when the trader has discharged either all the obligations to the customer, or had discharged such part of them as justifies a payment. This is generally known as <b>accruals accounting</b>.</p> <p><b>Tax implications</b></p> <p>Sometimes a business may take the later stage of when the customer has paid. This is generally known as <b>cash accounting</b>. It is generally not acceptable for income tax or corporation tax; it is acceptable for VAT up to a monetary limit.</p> <p>Other tax implications of revenue recognition are discussed in the Inspectors' Manual from BIM40075.</p>
<b>revenue reserves</b>	Money put aside for day-to-day spending.
<b>Revenue Scotland</b>	<p>Body that collects the devolved taxes in Scotland. It is a <b>non-ministerial department</b> of the Scottish administration.</p> <p>It is established by Revenue Scotland and Tax Powers Act 2014 s2(1).</p>
<b>Revenue Scotland assessment</b>	<p>"Means an assessment under section 98(2) or 99(1) as the case may be" (Revenue Scotland and Tax Powers Act 2014 s100).</p> <p>These sections respectively refer to underpayment of tax, and overpayment of a tax refund.</p>
<b>revenue sharing</b>	Distribution of revenue income, particularly within a partnership.
<b>revenue spending</b>	In relation to local authorities, means spending on the day-to-day running of services – mainly wages, running expenses of buildings and equipment, and debt charges. These costs are met from the council tax, government grants, fees and charges.
<b>Revenue Support Grant</b>	The main government grant to support local authority services.

**revenue trade provisions of the customs and excise Acts**

This term is defined in Customs and Excise Management Act 1979 s1(1).

**revenue trader**

A person importing, exporting, producing, handling, processing, packaging, transporting or dealing in goods chargeable with excise duty.

A full definition is given in Customs and Excise Management Act 1979 s1(1).

**revenue vessel**

Any ship, boat or similar used by Customs in connection with preventing or detecting smuggling. Provisions regarding such vessels can be found in Customs and Excise Management Act 1979 from s82.

**Reverend**

Title used by a clergyman.

**reversal amount**

In relation to clawback of relief for a company with an investment business, the term is defined in Corporation Tax Act 2009 s1230.

**reverse**

(1) Change a decision or record to the opposite, such as correcting a mistake in financial records.

(2) The back or "tails" of a coin, as opposed to the **obverse**.

**reverse accounting**

In VAT, accounting for **reverse charges**.

**reverse auction**

When a business offer itself for auction to the highest bidder. An example was EE offering itself to British Telecom in autumn 2014.

It is also used when bidding for services, where the lowest price prevails. A common example is crowdfunding or peer-to-peer lending.

**reverse burden of proof**

Where the **burden of proof** is on the opposite party to the one on whom the burden would otherwise fall.

This arises particularly in claims for sex discrimination or racial discrimination. If an employee, for example, can prove that an employer's action disadvantageously impacts on one sex or one race more than others, the burden of proof is then reversed so the employer must show that the action was not sexually or racially motivated.

**reverse charge**

Normally, it is the supplier of goods or services who must account to HM Revenue & Customs for any VAT due on supplies. In certain situations, however, it is the customer who must account for the VAT instead. Also known as Tax Shift.

The reverse charge for gas and electricity to the UK is set out in Value Added Tax Act 1994 s9A.

**reverse engineering**

In computing, a process of analysing someone else's software to make your software compatible with it.

**reverse factoring**

**Factoring** of invoices but arranged by the customer rather than the supplier.

There is no specific accounting standard on reverse factoring, where figures are often shown as trade payables or other creditors. The use of reverse factoring was considered a significant element in the collapse of



Carillion in 2018.

- reverse leverage** Borrowing money at a rate of interest which is *higher* than the expected return on capital.
- reverse premium** Payment by a landlord to persuade someone to lease a property.  
From 9 March 1999, such premiums are treated as revenue receipts.  
The law is Corporation Tax Act 2009 from s96.  
Corporation tax provisions for their receipt are given in Corporation Tax Act 2009 from s250. Income tax provisions are given in Income Tax (Trading and Other Income) Act 2005 s311.  
The position before this date is discussed in the Inspectors' Manual at BIM 35610.
- reverse priority order** In relation to HMRC's power to seize funds in a taxpayer's bank account without needing the permission of any court, means "the reverse of the order determined under sub-paragraph (5)" (Finance (No 2) Act 2015 Sch 8 para 7(6)).
- reverse takeover** Takeover where the company being taken over becomes the new owner of the acquiring company. This is achieved by the acquiring company shareholders exchanging their shares for those in the acquired company. A reverse takeover happens when the company taken over is seen as a more appropriate vehicle for the new group. An example is when a trading company takes over a listed **shell company** as a shortcut to getting a Stock Market listing.
- reverse yield gap** Amount by which a bond yield exceeds equity yield or interest rates. It is usually expressed as a percentage of the cost of the underlying assets.
- reversing entry** Entry made in the accounts to correct an error.  
It is generally good accounting practice to make *two* entries: one to reverse the incorrect entry (and for both of them to be cross-referenced as such) and then the correct entry.
- reversion** Any legal or practical process which passes the ownership of an asset or liability to someone who previously owned it.  
For leases, the term "means the interest of the landlord in the property subject to the lease" (Income Tax (Trading and Other Income) Act 2005 s307(3)).
- reversionary annuity** An annuity paid to someone on the death of someone else, such as to the husband or wife of the annuity holder.
- reversionary bonus** Bonus added to the value of a **with profits** policy each year.
- reversionary interest** Interest in real or personal property in remainder or reversion.  
For inheritance tax, the term "means a future interest under a settlement, whether it is vested or contingent (including an interest expectant on the termination of an interest in possession where, by virtue of section 50

below, is treated as subsisting in part of any property) and in relation to Scotland includes an interest in the fee of the property subject to a proper liferent" (Inheritance Tax Act 1984 s47).

**review**

**General**

General examination. It particularly applies to a review of a year in the life of an or, or an occasion to review the pay of an employee.

**Tax disputes**

In relation to tax disputes, it means the process whereby a taxpayer may ask for a matter to be looked at by another tax officer who has not been involved the issue for an independent opinion. A request for such a review is at the discretion of the taxpayer, and does not compromise his right to proceed to start proceedings.

The right for VAT is given in Value Added Tax Act 1994 from s83A.

**Tax tribunals**

For tax tribunals, the limited right of a tax tribunal to consider whether there was an error of law in a previous decision, as set out in The Tribunal Procedure (First-tier Tribunal) (Tax Chamber) Rules SI 2009 No 273 rule 41.

**review period**

For determining national insurance rates, means the period from 1 October to 30 September for every year starting in 1998 (Social Security Administration Act 1992 s148A).

**revise**

Change something from a planned or previous figure. An example is when a figure in a budget is revised during a year in the light of trading experience in the opening months.

**revised accounts**

In company law, accounts which are issued after accounts for the same period have been published (Companies Act 2006 s454).

**revive**

Give life back to something which is otherwise of no effect. An **acknowledgment of debt** can revive a debt which is **statute-barred**.

**revived will**

**Will** that had been revoked, and then made effective again by a codicil withdrawing the revocation.

**revocation**

Act of revoking something. In contract law, an offer may be revoked before the other party has accepted it.

**revocation event**

In relation to the currency of an investment company, the term is defined in Corporation Tax Act 2010 s9B.

**revocation notice**

Notice from HMRC that it is cancelling an exemption for an employer to provide a tax-free benefit or payment to an employee (Income Tax (Earnings and Pensions) Act 2003 s289C(1)).

<b>revocation of probate</b>	Where <b>probate</b> is revoked having been granted. This may happen if a later will is found, or if there is other sufficient cause.
<b>revocation order</b>	In relation to climate change levy, an order revoking a previous order that excludes a recycling process from the charge (Finance Act 2011 s80(4)).
<b>revolver</b>	For criminal law, "in relation to a smooth-bore gun, means a gun containing a series of chambers which revolve when the gun is fired" (Firearms Act 1968 s57(2B)).
<b>revolving credit</b>	System where someone may borrow any amount to a fixed limit, including borrowing while making payments. All credit cards offer revolving credit.
<b>revolving loan</b>	A loan where the borrower may borrow up to a fixed limit, and may continue to borrow up to that limit while making repayments.
<b>reward</b>	(1) Payment in recognition of a benefit received. The right of HMRC to pay rewards is given in Commissioners for Revenue and Customs Act 2005 s26. (2) For air passenger duty, "in relation to the carriage of any person, includes any form of consideration received or to be received wholly or partly in connection with the carriage, irrespective of the person by whom or to whom the consideration has been or is to be given" (Finance Act 1994 s43(1)).
<b>reward for failure</b>	Bonus or similar incentive which is payable to a director or senior manager even when the person fails to do their job properly. The term started to be used in 2008 in the context of directors of banks who continued to be paid huge bonuses despite the failure of their banks.
<b>reward for services</b>	Term used in cases concerning the tax liability of employment income. For example, in the case <i>Hochstrasser v Mayes [1960]</i> , Upjohn J said that a profit from employment "must be in the nature of a reward for services, past, present or future". The inspectors' manual at EIM 00610, however, states that "the words 'reward for services' should not be taken too literally".
<b>REX</b>	<b>Registered Export Scheme.</b>
<b>rex non potest peccare</b>	Latin: the king can do no wrong. This principle extended to government meaning that the citizen had no redress against the government. This was addressed in Crown Proceedings Act 1947. For tax purposes, it is also addressed by appeals procedures and by such bodies as the ombudsman and Revenue Adjudicator.
<b>rex nunquam moritur</b>	Latin: the king never dies. The monarchy and government continues automatically on the death of a monarch.
<b>Reynaud</b>	Leading case on <b>associated operations</b> for discretionary trusts. Four brothers transferred shares in a family company to a discretionary trust from which the company and an unrelated purchaser bought the shares. Inland Revenue unsuccessfully argued that these were associated operations. The decision is

*Reynaud v CIR [1999] SpC 196.*

<b>RFC</b>	<b>Release for free circulation</b> , term used in relation to customs duties and VAT on imported goods.
<b>RFU</b>	Rugby Football Union.
<b>RFTU</b>	Road Fuel Testing Unit, a mobile unit which tests fuels in both vehicles and terminals to detect oils that are being misused and to ensure that the revenue is protected.
<b>RG</b>	Reversed gain, in the formula in Corporation Tax Act 2009 s732(3).
<b>RGD</b>	<b>Remote gaming duty.</b>
<b>RGR</b>	<b>Returned Goods Relief</b> , a system of duty relief for goods previously exported from the European Union (EU) and re-imported in the same state as at export.
<b>RHA</b>	Road Haulage Association – The Road Haulage Association is a trade organisation representing the UK road haulage industry.
<b>Rhadamanthine</b>	Rigorously just and severe, like Rhadamanthus in Greek mythology.
<b>Rhagfyr</b>	Welsh: December.
<b>RHDI</b>	Real household disposable income.
<b>Rheolwr ac Archwilydd Cyffredinol</b>	Welsh: Comptroller and Auditor General.
<b>RHI</b>	<b>Renewable Heat Incentive.</b>
<b>rhino</b>	Slang term for money in 17 <sup>th</sup> century.
<b>rhinoceros</b>	Endangered animal. The importation of the animal or its products is generally prohibited under <b>CITES convention</b> .
<b>rho</b>	Seventeenth letter of Greek alphabet indicated as P and ρ. The number denoted 100.
<b>RI</b>	(1) Indexation factor for <b>chargeable gains</b> subject to corporation tax. The RI refers to the month in which a fixed asset was acquired, or to March 1982. For every month of disposal from April 1982, tables of factors are produced for Ris going back to March 1982. These tables are no longer used for <b>capital gains tax</b> , but are still used for chargeable gains subject to corporation tax. (2) Republic of Ireland.

<b>rial</b>	Currency of Iran. It is also an alternative form of <b>riyal</b> , currency of Oman, Saudi Arabia and Yemen.
<b>riba</b>	Islamic term for <b>usury</b> . In this context this means all charging of interest, which is forbidden under Sharia law. There are two types of riba: <ul style="list-style-type: none"><li>• increase in capital without providing any services; and</li><li>• commodity exchanges of unequal amount.</li></ul>
<b>RIBA</b>	Royal Institute of British Architects. Their contracts are widely used for building projects.
<b>ribbon development</b>	Development of housing along new roads. It was effectively outlawed by Town and Country Planning Act 1947.
<b>Richard I</b>	King of England from 1189 to 1199. Known as the Lionheart.
<b>Richard II</b>	King of England from 1377 to 1399.
<b>Richard III</b>	King of England from 1483 to 1485.
<b>Richardson, Gordon</b>	English banker (1915-2010) who was governor of the Bank of England between 1973 and 1983.
<b>rider</b>	An amendment to an insurance policy that modifies the policy by expanding or restricting its benefits or excluding certain conditions from coverage.
<b>Riding</b>	One of the three traditional divisions of Yorkshire.
<b>riding hat</b>	This may be zero-rated for VAT as children's clothing up to size 6.5. This ruling was unsuccessfully challenged in the VAT case <i>Charles Owen &amp; Co (Bow) Ltd [1003] VTD 11267</i> .
<b>RIE</b>	<b>Recognised investment exchange.</b>
<b>riel</b>	Currency of Cambodia.
<b>rien ne va plus</b>	French: nothing goes any more. Expression used by croupiers that no more bets may be placed.
<b>RIF</b>	(1) Risk Information Form. (2) Realistic imitation firearm.
<b>rifle</b>	"Includes carbine" (Firearms Acr 1968 s57).
<b>right</b>	Legal entitlement to something. One person can only have a right if someone else has a duty to provide it.

<b>right first time, every time</b>	Management term for the approach that the perfect product or service should be provided from the beginning.
<b>right holder</b>	<p>“The holder of a trade mark, copyright, right in a performance, design right, patent, supplementary protection certificate, plant variety right, protected designation of origin, geographical designation, any person authorised to use those rights or an authorised representative” (Customs notice 34).</p> <p>Customs may seize goods where the rights of the right holder are infringed.</p>
<b>Right Honourable</b>	Title given to privy councillors, peers below the rank of Marquis and to some Lord Mayors and Lord Provosts.
<b>right in a design</b>	For the purposes of income tax deducted from royalties, this term is defined in Income Tax Act 2007 s907(2).
<b>right of admission</b>	Right to be admitted to premises. If this is granted in return for a charitable donation under Gift Aid, the right must meet the conditions set out in Income Tax Act 2007 s420, failing which the donation may not qualify for tax relief.
<b>right of audience</b>	<p>Right to be heard in a court.</p> <p>Under English law, this right rests in:</p> <ul style="list-style-type: none"><li>• a barrister</li><li>• a solicitor who has been admitted or enrolled to conduct litigation in the lower courts, or who is a <b>solicitor advocate</b></li><li>• any citizen in a case in which they are a party (with a few exceptions).</li></ul>
<b>right of members to require audit</b>	<p>The right of shareholders or other members of a company to demand that the accounts be audited, even though the company meets the conditions for exemption from audit.</p> <p>This right may be exercised by members who hold at least 10% of the company's voting rights (Companies Act 2006 s476).</p>
<b>right of prior use</b>	Term used in Registered Designs Act 1949 s7B as inserted by Intellectual Property Act 2014 s7.
<b>right of substitution test</b>	One of 12 tests included in HMRC guidance published early in 2012 on whether an individual comes within the scope of <b>IR35</b> .
<b>right of way</b>	<p>The right to pass over land.</p> <p>Profits from this are taxed as if it were a trade (Income Tax (Trading And Other Income) Act 2005s12).</p>
<b>rights</b>	Those things to which a person or organisation is entitled, usually by law.
<b>rights issue</b>	An issue of shares where a company gives its existing shareholders the right to buy more shares in proportion to those already held.

**right to acquire future patent rights**

“Means a right to acquire in the future patent rights relating to an invention in respect of which the patent has not yet been granted” (Capital Allowances Act 2001 s465(3)).

**right to be heard**

Legal right of **natural justice** that a person accused of crime or other wrongdoing should have the opportunity to make representations before suffering any penalty or detriment.

This is not a precisely defined right. The issue was discussed in *Ridge v Baldwin* [1964] AC 40 and in *Russell v Duke of Norfolk* [1949] 1 All ER 109.

**right to buy legislation**

Laws that allowed tenants to buy their council houses and similar property.

The laws are Housing Act 1985 Part V and Housing (Northern Ireland) Order 1983 Chapter I of Part II.

These laws are referred to in Finance Act 1988 Sch 4 para 13 in the context of the Business Expansion Scheme.

**right to collective enfranchisement**

Right given to leaseholders under Leasehold Reform Housing and Urban Development Act 1993 s4A, and which may be exercised by an **RTE company**.

**right to manage (RTM)**

Description of a company formed to manage property, known as an **RTM company**. The term is used in Commonhold and Leasehold Reform Act 2002 s71 with regard to leasehold property. The section allows this right to be acquired by an **RTM company**.

**right to price reduction**

For consumer contracts, a right in respect of faulty goods as set out in Consumer Rights Act 2015 s24(1).

**right to repair or replacement**

A consumer's right to have faulty goods repaired or replaced as set out in Consumer Rights Act 2015 s23.

**right to reside**

Right to live in the UK. This is a condition for claiming some social security benefits. The right is held by all UK nationals, and by nationals of other EU states who are working or self-employed in the UK.

**RIH**

Right ingual hernia. Common abbreviation for sick notes (HMRC leaflet E14).

**Riksdag**

Swedish parliament.

**RILOR**

Recompense in lieu of relocation, in armed forces.

**ring**

In purchase tax, the term was used for registered suppliers who were allowed to supply goods to each other free of tax. This provision was abolished in 1973 with the tax.

**ring fence**

Process by which assets, liabilities, income and expenditure are considered separately from the other assets, liabilities, income and expenditure.

Ring-fencing may be for legal or financial reasons. Legal reasons may be for tax purposes, such as for **tonnage tax**.

<b>ring fence asset</b>	In relation to provisions of oil taxation “means a qualifying asset which is, or has been, used wholly or partly for the purposes of ring fence trade” (Corporation Tax Act 2009 s291A(2) as inserted by Finance Act 2018 s22(3)).
<b>ring fence amount</b>	Figure used to calculate corporation tax on <b>ring fence profits</b> , as explained in Corporation Tax Act 2010 s22.
<b>ring-fenced</b>	When activities are regarded separately from other activities, usually become some different rules or tax provisions provide. Examples of ring-fencing in taxation can be found for <b>real estate investment trusts</b> and <b>tonnage tax</b> .
<b>ring fence expenditure supplement</b>	An allowance that may be claimed by the oil industry in calculating its corporation tax. The tax provisions are set out in Corporation Tax Act 2010 from s307.
<b>ring fence fraction</b>	For corporation tax, the fraction that is used to determine the rate of tax on ring-fenced profits of the oil industry that fall between the lower and higher limits (Corporation Tax Act 2010 s276). Figure used to calculate corporation tax on <b>ring fenced profits</b> (Corporation Tax Act 2010 s20(3)).
<b>ring fence income</b>	Income which must be considered separately from other income, particularly income from oil extraction (Income Tax Act 2007 80(1)). For corporation tax, the term “means income arising from <b>oil extraction activities</b> or <b>oil rights</b> ” (Corporation Tax Act 2010 s275 and Income Tax (Trading and Other Income) Act 2005 s225C).
<b>ring fence pool</b>	Term used in connection with ring fence profits of the oil and gas industries. The term is defined in Corporation Tax Act 2010 s326.
<b>ring fence profits</b>	For corporation tax, “in relation to an accounting period means — (a) if in accordance with section 197(3) of [Taxation of Capital Gains Act 1992] a company has an aggregate gain for that period, that gain and that company’s <b>ring fence income</b> (if any) for that period, or (b) otherwise, the company’s ring fence income for that period” (Corporation Tax Act 2010 s276).
<b>ring fence trade</b>	Trade whose income is ring-fenced for tax purposes and not mixed with other income (Income Tax Act 2007 s87). The most common example is oil extraction. Provisions relating to capital allowances are given in Capital Allowances Act 2001 s45F. For corporation tax and the oil industry, the term “means activities which — (a) are within the definition of <b>oil-related activities</b> in section 274, and (b) constitute a separate trade (whether because of section 279 or otherwise)”



(Corporation Tax Act 2010 s277 and Income Tax (Trading and Other Income) Act 2005 s225D).

**ringing the changes**

Criminal slang for stealing a car and changing its number plates for resale.

**riot**

When 12 or more people engage in or threaten violence. The conduct must be such that a reasonable person fears for his or her safety.

If property is damaged, destroyed or stolen in a riot, an uninsured person may claim from the police. For an insured person, the insurance company may claim from the police. The law is now Riot Compensation Act 2016, which replaces Riot (Damages) Act 1886.

A riot is defined in Public Order Act 1986 s1, except that the 2016 Act s1(6) excludes the compensation provisions from an enclosed place, such as a prison, hospital, asylum centre or young offender institution.

**riot claims bureau**

Body that may be established by the Secretary of State to deal with claims for riot compensation. (Riot Compensation Act 2016 s6(1)).

**riparian**

Pertaining to a river, or an owner of land next to a river.

**RIPi**

**Relevant intellectual property income.**

**RIS**

Regulatory Information Service.

**rise**

(1) Increase or growth of something represented by a figure or amount.  
(2) Pay increase.

**rising costs subsidy**

A subsidy that could be paid by central government to a housing authority under Housing Finance Act 1972 s1.

**risk**

Chance that something adverse will happen. Risk can rarely be avoided but can usually be mitigated, see **risk mitigation**.

In investment, factors that may cause the profit or cash flows of the business to fluctuate.

“Uncertainty as to the amount of benefits. The terms includes both potential for gain and exposure to loss” (FRS 5 para 5).

“In respect of an occurrence assessed and expressed (as for insurance and scientific purposes) as a combination of the probability of the occurrence with its potential consequence” (Flood and Water Management Act 2010 s2(1)).

**risk analysis**

In **project management**, the various processes for identifying, preventing and mitigating risks.

The stages are broadly:

- identify the risks
- assess the chance of each risk occurring
- assess the impact on the project if the risk happened
- identify measures to prevent the risk occurring
- identify contingent arrangements to ameliorate the consequences

of a risk happening.

<b>risk arbitrage</b>	Business of buying shares in companies which are expected to be taken over and thus expected to rise in value.
<b>risk arbitrageur</b>	Person who engages in <b>risk arbitrage</b> .
<b>risk-adjusted return on capital</b>	Figure which is equivalent to <b>return on capital</b> , but which has been multiplied by a factor between 0 and 1 to reflect the element of risk.
<b>risk assessment</b>	Formal process of determining risks faced by an organisation according to likelihood and impact.
<b>risk asset ratio</b>	In banking, the proportion of the assets which are in risk assets.
<b>risk-based pension protection levy</b>	Part of <b>pension protection levy</b> which may be made under Pensions Act 2004 s75. The other part is the <b>scheme-based pension protection levy</b> .
<b>risk capital</b>	Another term for <b>venture capital</b> .
<b>risk capital schemes requirement</b>	Term used in Income Tax Act 2007 s292A in relation to <b>venture capital trust</b> tax relief. The requirement is basically that the company may not receive more than £2 million as VCT investment in a tax year.
<b>risk finance investment</b>	In relation to enterprise investment scheme, this term is defined in Income Tax Act 2007 s164A(3) as inserted by Finance (No 2) Act 2015 Sch 5.
<b>risk management</b>	Managerial processes to reduce the adverse consequences of a <b>risk</b> . Traditionally these involve: <ul style="list-style-type: none"><li>• steps to prevent the risk happening (eg fire precautions);</li><li>• steps to minimise loss from risk occurring (eg fire extinguisher);</li><li>• steps to mitigate the loss (eg fire insurance).</li></ul> In relation to floods, a full legal definition is given in Flood and Water Management Act 2010 s3.
<b>risk premium</b>	Additional payment to investors in risky ventures. Such a premium is often added to the dividend.
<b>risk-reward ratio</b>	The requirement for a risky venture to provide a disproportionately higher return than a safe venture. If a safe return provides 5%, and a risky has a 50% chance of producing no return (but preserving the capital), the risk-reward ratio would require a return <i>above</i> 10%.
<b>risk-to-capital condition</b>	A condition that is relevant for enterprise investment scheme, seed enterprise investment scheme and venture capital trusts. The condition is set out in Income Tax Act 2007: <ul style="list-style-type: none"><li>• s157A for enterprise investment scheme;</li><li>• s257AAA for seed enterprise investment scheme; and</li></ul>

- s286ZA for venture capital trusts.

These sections were inserted by Finance Act 2018 s14(1).

<b>risk transfer</b>	Any arrangement by which a financial risk is transferred to another person. Finance Act 2010 s46 and Sch 19 contains provisions to restrict tax relief to the underlying economic reality.
<b>risk transfer scheme</b>	Arrangement to avoid tax. There are provisions in Corporation Tax Act 2009 from s937A. The term is defined in s937C.
<b>risk-weighted assets</b>	Assets which include off-balance sheet items for insurance purposes.
<b>Ritchie, Charles</b>	Scottish Conservative politician (1838-1906) who was Chancellor of the Exchequer from 11 August 1902 to 9 October 1903 in the Conservative government of Arthur Balfour. He was sacked for opposing a preferential tariff.
<b>ritual slaughter</b>	The ritual slaughter of animals according to Jewish law was held to be zero-rated as part of the process of providing zero-rated meat for human consumption. <i>The London Board for Shechita [1974] VATD 52.</i>
<b>rix-dollar</b>	Old Dutch silver coin that was currency in many countries.
<b>riyal</b>	Currency of Yemen.
<b>RL</b>	Recognised loss, in the formula in Corporation Tax Act 2009 s732(3).
<b>RL13</b>	“The amount by which <b>AL13</b> exceeds <b>VE</b> ” (Income and Corporation Taxes Act 1988 s444ABB). These are figures shown on Form 14 completed by life assurance companies, and are used to calculate the companies’ retained assets in determining their tax liability.
<b>RM</b>	Prefix for HMRC’s tax manual on repayment claims.
<b>RMAR</b>	Retail Mediation Activities Return, that may be required by the Financial Services Authority.
<b>RMB</b>	Abbreviation: remnimbi, a currency of China.
<b>RMBS</b>	<b>Residential mortgage-backed security.</b>
<b>RMP</b>	Remote Marking Premises – Duty Paid Terminals (unbonded premises and plants) that have been registered and approved to mark oils.
<b>RMPP</b>	<b>Royal Mail Pension Plan.</b>
<b>RNG</b>	Random number generator.

<b>RNLI</b>	<b>Royal National Lifeboat Institution.</b>
<b>RNRB</b>	<b>Residence nil rate band.</b>
<b>RO</b>	<b>Country prefix code</b> for Romania.
<b>ROA</b>	<b>Return on assets</b>
<b>road</b>	For capital allowances, this is specifically excluded from the scope of plant and machinery (Capital Allowances Act 2001 s22(1) List B).
<b>road construction vehicle</b>	For oil duty, this was a category of except vehicle under Hydrocarbon Oil Duties Act 1979 Sch 1 para 12. From 1 April 2008, the exception comes within the scope of <b>road surfacing vehicles</b> under ibid para 12A as inserted by SI 2007 No 93.
<b>road-friendly suspension</b>	Term used in Vehicle Excise and Registration Act 1994 Sch 1 para 11C in relation to determining vehicle excise duty on goods vehicles “A goods vehicle does not have road-friendly suspension if any driving axle of the vehicle has neither — (a) an air suspension (that is, a suspension system in which at least 75 per cent of the spring effect is caused by an airspring), nor (b) a suspension which is regarded as being equivalent to an air suspension for the purposes under Annex II of Council Directive 96/53/EC” (Vehicle and Excise Registration Act 1993 Sch 1 para 11D(2) as inserted by Finance Act 2011 s22(5)). This provision applies from 1 April 2011.
<b>road fuel</b>	<b>Definition</b> Fuel for a mechanically propelled vehicle constructed or adapted for use on roads. The commonest forms, in order, are petrol, diesel and liquid petroleum gas (LPG). Electricity is not regarded as road fuel. <b>Excise duty</b> Road fuels are subject to an excise known as <b>hydrocarbon oil duty</b> . <b>Income tax</b> When an employer provides road fuel to an employee for his or her private use, the employer may be liable to pay income tax on the <b>car fuel benefit</b> . <b>Value added tax</b> Where the employer recovers input tax on road fuel provided for the employee's private use, the VAT return must be adjusted (Value Added Tax Act 1994 s56).
<b>road fuel gas</b>	“Means any substance which is gaseous at a temperature of 15°C and under a pressure of 1013.25 millibars, and which is for use as fuel in road vehicle” (Hydrocarbon Oil Duties Act 1979 s5 and Income Tax (Earnings And Pensions) Act 2003 s171(1)). Excise duty is charged under Hydrocarbon Oil Duties Act 1979 s8.

In the UK there are two types of such gas in use: compressed natural gas (CNG) and liquid petroleum gas (LPG). Company cars which run on this fuel may attract a lower rate of tax for the employee.

For employment income, there is a special provision in Income Tax (Earnings And Pensions) Act 2003 s146.

<b>road-pricing</b>	Proposed additional tax on motorists, charging per mile for using certain roads at certain times. Such a system needs cars to be fitted with chips or for significant infrastructure expenditure. The proposed tax is in addition to congestion charges, low emission zone charges and all other taxes imposed on driving.
<b>road roller</b>	Road vehicle which is category G on a driving licence. For oil duty, "a road roller is an excepted vehicle" (Hydrocarbon Oil Duties Act 1979 Sch 1 para 13).
<b>road safety grant</b>	Grant which a transport authority may make to a local authority for measures to promoted road safety (Road Traffic Act 1988 s40).
<b>road surfacing vehicle</b>	"Means a vehicle which — (a) is designed and constructed to perform an operation necessary to construct or restore the surface of a road,  (b) does not carry any load on a public road except such as is necessary for its propulsion or for the operation of any machinery built-in or permanently attached to the vehicle, and (c) has a maximum speed not exceeding 20 kilometres per hour" (Hydrocarbon Oil Duties Act 1979 Sch 1 para 13A).
<b>road tax</b>	Colloquial name for <b>vehicle excise duty</b> .
<b>road vehicle</b>	For oil duty, "means a vehicle constructed or adapted for use on roads, but does not include any excepted vehicle" (Hydrocarbon Oil Duties Act 1979 s27(1)).
<b>ROAS</b>	<b>Return on ad spend.</b>
<b>roasting</b>	A step inserted into the brewing process at <b>kilning</b> to produce a dark beer.
<b>Robert I</b>	King of Scotland from 1306 to 1329. Also known as Robert the Bruce.
<b>Robert II</b>	King of Scotland from 1371 to 1390.
<b>Robert III</b>	King of Scotland from 1390 to 1406.
<b>Robin Hood</b>	Legendary medieval outlaw who robbed from the rich to give to the poor. By extension the term is used to describe people or taxes with a similar objective.
<b>Robinson, Peter</b>	Irish DUP politician (1948- ) who was First Minister of Northern Ireland from 5 June 2008 to 10 September 2015.

<b>robot</b>	<p>In terms of tax administration, this is a piece of software that checks data submitted by taxpayers and claimants.</p> <p>Robots were introduced by HMRC in 2010. In the first three years, they checked 10 million transactions. They are much faster than humans, less prone to error, and free HMRC staff from boring work.</p>
<b>ROCE</b>	<b>Return on capital employed.</b>
<b>ROCH</b>	Recognised overseas clearing house.
<b>Rockall</b>	<p>Uninhabited islet in the North Atlantic Ocean.</p> <p>“As from the date of the passing of this Act, the Island of Rockall (of which possession was formally taken in the name of Her Majesty on 18<sup>th</sup> September 1955 in pursuance of a Royal Warrant dated 14<sup>th</sup> September 1955 addressed to the Captain of Her Majesty’s Ship Vidal) shall be incorporated into that part of the United Kingdom known as Scotland and shall form part of the Western Isles, and the law of Scotland shall apply accordingly” (Island of Rockall Act 1972 s1). Rockall is deemed to be in the county of Inverness.</p> <p>The British claim is not recognised by Ireland, though neither Ireland nor any other country makes a competing claim.</p>
<b>rocket</b>	<p>“Means a projectile of mainly cylindrical or similar shape that can be propelled from or above the earth by combustion of its fuel (or fuel and oxidant)” (Space Industry Act 2018 s69(1)).</p>
<b>rockets</b>	Items in the list of <b>explosives</b> for which there may be special Customs provisions (Explosives Act 1875 s3(1)).
<b>rock-tar</b>	Old name for <b>petroleum</b> .
<b>ROCU</b>	<b>Regional organised crime unit.</b>
<b>rod</b>	<p>(1) For length, an old unit of length equal to 5½ yards or 16½ feet.</p> <p>(2) For brickwork, 272½ cubic feet.</p>
<b>ROE</b>	<b>Return on equity.</b>
<b>ROFL</b>	Texting abbreviation: rolling on floor laughing.
<b>rogue and vagabond</b>	Person who commits an offence under Vagrancy Act 1824 s4.
<b>rogue landlords and property agents</b>	<p>Such landlords and agents can be subject to a banning order under the provisions of Housing and Planning Act 2016 from s13.</p>
<b>ROI</b>	<b>Return on investment.</b>
<b>ROIC</b>	Term used in relation to pensions in the formula in Finance Act 2004 s222(7).

<b>ROIE</b>	Recognised overseas investment exchange.
<b>ROL</b>	<b>Remote operating licence.</b>
<b>role</b>	Part played by an actor. By extension, the term in human resources means the function performed by a person in an organisation.
<b>roll</b>	Scroll, piece of paper listing names or details, the names or details so listed.
<b>rolled gold</b>	Metal coated with a very thin layer of gold.
<b>rolled-up coupons</b>	Interest coupons on securities where no payment is made, but the value is added to the capital.
<b>rolled-up holiday pay</b>	<p>When payment for holiday is not made at the time of the holiday but as an addition to pay for all weeks that the employee is at work with no payment at all for the weeks on holiday.</p> <p>The <b>Working Time Directive</b> specifies a minimum period of paid leave to which all workers are entitled. The European Court of Justice has made it clear that it would like to see rolled-up holiday pay outlawed, however it has also been held that it does not contravene the directive provided the rolled-up holiday pay is made “transparently and comprehensively”. Useful guidance on this has been provided by the Employment Appeal Tribunal in <i>Lyddon v Englefield Brickworks</i>. EAT [2007]</p>
<b>rolled-up indexation</b>	For capital gains tax, indexation on a rolled-over disposal (Taxation of Capital Gains Act 1992 s55(9)).
<b>rolling account</b>	US term for the stock market system where there is no fixed account days but where transactions are settled as they occur.
<b>rolling budget</b>	Budget which proceeds during the year on a cumulative basis, usually one month at a time.
<b>rolling settlement</b>	Another name for <b>rolling account</b> .
<b>rolling up</b>	Adding a profit or gain from one period to that of a future period.
<b>rollover</b>	<p>(1) In accounting, any arrangement which extends what would otherwise be the term of a financial provision. Examples include extending a fixed period loan, or using the proceeds from the sale of an asset to buy another asset.</p> <p>(2) In relation to lotteries, “an arrangement whereby the fact that a prize is not allocated or claimed in one lottery increases the value of the prizes available for allocation in another lottery” (Gambling Act 2005 s256).</p>
<b>roll-over relief</b>	<p>Tax relief for capital gains tax. If the proceeds from the disposal of certain categories of fixed asset are used to buy a similar asset, the tax is postponed until the disposal of the new asset, unless rolled over again. So if a business sells its premises and uses the proceeds to buy new proceeds, it pays no tax.</p> <p>The relief is set out in Taxation of Capital Gains Act 1992 s152. A</p>

separate relief may be claimed for transfer of a business (ibid s162).  
[Note that the Act hyphenates roll-over.]

<b>Rolls-Royce</b>	Name of company that produces luxury cars and aeroplane engines, the cars it produces. By extension the term is often to mean the highest quality of a product. It should be remembered that Rolls-Royce is a trade name, and this use of the term could lead to legal difficulties.
<b>roll up</b>	To aggregate, consolidate or accumulate. The term is commonly used for extending a loan by consolidating the interest accrued so far as capital on a new loan.
<b>Romalpa clause</b>	<p>Reservation of title clause in a contract for sale of goods.</p> <p>This means that ownership of the goods does not pass to the buyer until he has paid for them. In an insolvency, the seller can therefore take the goods back and does not have to be listed as an unsecured creditor, which usually means receiving little or no payment.</p> <p>In accounting, such a clause is ignored in determining <b>control</b> of an asset.</p> <p>The name comes from the case <i>Aluminium Industrie Vasseen BV v Romalpa Aluminium Ltd [1976] 2 All ER 577. CA.</i></p>
<b>Roman characters</b>	<p>Letters and other symbols that are used in ordinary English, as against symbols used in (for example) the Cyrillic alphabet.</p> <p>Under company law, a document written in non-Roman characters must be submitted with a transliteration into Roman characters (Companies Act 2006 s1110).</p> <p>In printing, the term is often used to mean type that is neither bold nor italic.</p>
<b>Romania</b>	East European country that is a member of the European Union. Its currency is the new leu (plural lei). The UK has a double taxation convention of 1975.
<b>RON</b>	<b>ISO code</b> for Romanian new leu.
<b>Roneo</b>	Trade name for duplicating machine that used stencils.
<b>roof</b>	<p>For VAT purposes, a roof can be differently defined depending on context.</p> <p>A roof as an integral part of a building follows the VAT rate for the building. In other contexts, guidance was given in the case <i>Pinevalue Ltd [2014]</i>.</p> <p>The case <i>Wetheralds Construction Ltd [2016] TC 5552</i> held that insulating materials added to a roof were reduced-rated insulation and not standard-rated building work.</p>
<b>rook</b>	Old term for someone who cheats at a game of chance or skill.
<b>Rooker-Wise Amendment</b>	Requirement introduced in 1977 that the main income tax allowances should be increased each year in line with inflation unless Parliament decides otherwise (which it had done many times). This provision is now enacted as



Income Tax Act 2007 s21.

The provision is named after the then Labour MPs Geoff Rooker and Audrey Wise.

<b>rookie</b>	Slang term for inexperienced beginner.
<b>root</b>	Fractional power of a number used in such calculations as to calculate what rate of compound interest is represented by an increase in value over a period. It is expressed in the form $A^n$ . This will give the number which when multiplied by itself n times will give A. If n is 2, the root is called a square root.
<b>root and branch</b>	Description of the entirety of something.
<b>root of all evil</b>	Is not money, but the <i>love</i> of money, according to the Bible (1 Timothy 6:10).
<b>Rorschach test</b>	In psychology, test designed to indicate intelligence, personality and mental state by showing the subject a series of ink blots.
<b>Rosbery, 5<sup>th</sup> Earl of</b>	English Liberal peer (1847-1929) who was prime minister from 5 March 1894 to 22 June 1895.
<b>rose noble</b>	Gold coin issued between 1465 and 1470, worth ten shillings.
<b>roster</b>	List of employees and their duties.
<b>rotational land</b>	Land that is used for different crops each year and is allowed to lie fallow for some years, as a means of maximising overall crop yields. Such land will usually qualify for agricultural property relief from inheritance tax under Inheritance Tax Act 1984 s117.
<b>rouble</b>	(1) Currency of Russia. (2) Currency in Belarus.
<b>rough sleeper</b>	Person who sleeps on the street or in another public place because he or she has nowhere else to sleep. There are various schemes and charitable provisions to assist rough sleepers. In 2018, the government said that there 4,751 in the whole of Britain, though most homeless charities believe the number is more than twice this figure.
<b>roulette</b>	Gambling game of chance where players put a stake on a number or group of numbers and win if that number is selected by a ball on a spinning tray. The game exists in two forms known as <b>American roulette</b> and <b>French roulette</b> . Both games are specifically listed in Betting and Gaming Duties Act 1981 s13(3) as coming within the scope of <b>gaming licence duty</b> .
<b>round</b>	Term which has acquired many specialist meanings in different contexts, including:

(1) Description of a number of few significant figures such as 50 rather than 47.87 (see **rounding**).

**round dealing**

Honest dealing. Curiously, it has the same meaning as square dealing.

**round down**

Reducing a number to express it to fewer significant figures, eg 24.7 can be rounded down to 24.

**round figure**

A sum which has just one or two significant figures, such as 34,000 or 12,000,000.

For tax, the use of round figures may suggest that the amounts have been estimated and not accurate. Any estimation in a tax return must be explicitly stated and justified. The correct figure should be used once ascertained.

**rounding**

Mathematical process of adjusting a figure to express it with sufficient accuracy. The general rule for rounding is that decimals of .5 or above are rounded up, and decimals of below .5 are rounded down. So 134.5 and 134.7 would be rounded to 135, but 134.2 and 134.4 would be rounded down to 134.

For tax, the general rule is that amounts of income are rounded to the nearest pound, and tax to the nearest penny. The rounding is always in the taxpayer's favour, so a taxable income of £24,269.98 is regarded as £24,269.

In a parliamentary statement of 18 May 1993, it was stated that Inland Revenue (now HMRC) would accept computations for corporation tax rounded to the nearest £1,000 provided:

- (a) the turnover of the business is at least £5 million in the current year or previous year;
- (b) the company accounts are prepared to the nearest £1,000;
- (c) the rounding is fair, unbiased, defined in the accounts and consistently used; and
- (d) any program or software used in the rounding is identified.

The limit of £5 million in (a) relates to the company and not to a group of companies.

For VAT, the European Court of Justice has ruled that the UK is free to make its own rules on rounding: *re Wetherspoon [2009] Case C-302/07*.

**round off**

Reduce the digits in a decimal number by removing the final zeros. Sometimes the term is used to mean simply rounding.

**round robin**

Petition or protest where the signatures are arranged in a circle so that no name heads the list. This is to protect the first signatory from reprisal.

**roundsmen**

Old term for 18<sup>th</sup> century paupers who were sent from house to house to find work. The practice ended in 1834.

**round sum allowance**

Addition to an employee's pay to cover some expense, particularly when a figure has been agreed rather than pay the exact amount.

Such a payment is always treated as gross pay, which means it is subject to tax and national insurance unless covered by a **dispensation**. The employee

may be able to claim tax relief for the underlying expense.

**round table**

Form of discussion in which no person has precedence.

The term comes from the old practice of using a round table so that no-one is the obvious head.

**round-the-world scheme**

Tax avoidance scheme. It involved holding shares in an offshore trust that accrued gains and were migrated to a low-rate or no-rate tax jurisdiction where the UK has a tax treaty, where the gain was crystallised with little or no tax paid. The trust is then repatriated to the UK where the funds may be used free of tax. The scheme was held not to work by the first-tier tribunal in the cases *R Lee; N Bunter [2017] TC5757* as the trust's place of management was held to be UK, so the trust had never migrated.

**round up**

Increasing a number to express it to fewer significant figures, eg 24.3 can be rounded up to 25. See **rounding** for tax policy on the subject.

**roup**

Auction in Scotland.

**routine domestic tasks**

Tasks "such as housework, simple odd jobs, shopping and collecting a prescription or pension" (VAT notice 701/2).

If an organisation provides a service of doing such tasks for a person unable to perform them himself or herself, the provision may be zero-rated as a **welfare service** under Value Added Tax Act 1994 Sch 7 Group 9.

**ROWA**

Restriction of Offensive Weapons Act 1959.

**Royal Assent**

When the monarch signs a Bill making it an Act of Parliament.

Originally the Bill had to be signed by the monarch personally or by commission by letters patent under the Great Seal. The procedure is now as set out in Royal Assent Act 1967.

**Royal Auxiliary Air Force**

One of the classes of **reservists** (PAYE regulations SI 2003 No 2682 reg 122(2)).

**Royal Bank of Scotland (RBS)**

The bank started as the **Equivalent Society** in 1707, which became the Equivalent Company in 1724.

Part of the Act of Union 1707 which merged Scotland and England was to provide compensation for investors who had lost money in the ill-fated Company of Scotland.

The company wished to become a bank. As the existing **Bank of Scotland** (which remains a separate bank) was suspected of having Jacobite sympathies, a royal charter was issued in 1727. In 1728, RBS became the first bank to offer customers an **overdraft** facility. The two banks became bitter rivals, and remain competitors.

RBS took over English banks in the late 19<sup>th</sup> and early 20<sup>th</sup> century, particularly William Deacon's in 1930 and Glyn Mills and Co in 1939. This was rebranded as William and Glyn's Bank in 1970 until 1985.

RBS has continued to grow, notably by acquiring National Westminster Bank in 2000. RBS is one of three Scottish banks which still prints its own

	banknotes.
<b>Royal Bounty</b>	Part of the <b>Civil List</b> from which the monarch made gifts to charities.
<b>royal charter</b>	Method by which a company, charity or other body may come into existence.
<b>royal commission</b>	Body of persons nominated by the Crown (in practice, by the prime minister) to look into a matter and report back.
<b>royal dues</b>	Taxes charged between 1066 and 1215, and levied by the monarch as he saw fit. Abuses of the system led to the <b>Magna Carta</b> .
<b>Royal Exchange</b>	Building in Cornhill, London from which trades may be arranged. The site was first so used in 1568. The present building dates from 1844.
<b>royal jelly</b>	For VAT, this was held not to be food. <i>Grosvenor Commodities Ltd [1990] VTD 7221</i> .
<b>royal lives clause</b>	Clause in a trust defining time according to the life of a royal person, such as "during the lifetime of the children of HM Elizabeth II". Such a clause was traditionally used to define the <b>perpetuity</b> period.
<b>Royal Mail</b>	Company that overseas the national postal service. Its holding company is Royal Mail Holdings plc. Restrictions on its ownership are removed by Postal Services Act 2011 s1.
<b>Royal Mail Pension Plan (RMPP)</b>	Pension plan for workers in Royal Mail. Provisions relating to it are in Postal Services Act 2011 from s16.
<b>Royal Mail Steam Packet case</b>	The name often given to the landmark auditing case of <i>R v Kysant [1931]</i> . The company reported trading losses by transferring from reserves accumulated during the first world war. This was not explained in the accounts. Chairman Lord Kysant was arrested and imprisoned for issuing a company prospectus that was "false in a material particular" even though every word of it was true.
<b>Royal Marines Reserve</b>	One of the classes of <b>reservists</b> (PAYE regulations SI 2003 No 2682 reg 122(2)).
<b>Royal Mint</b>	Body responsible for producing Britain's <b>coins</b> . It also produces medals, and coins for other countries.
<b>Royal National Lifeboat Institution (RNLI)</b>	Body formed on 4 March 1824 to save lives at peril on the seas around the UK and British Isles.
<b>Royal Naval Reserve</b>	One of the classes of <b>reservists</b> (PAYE regulations SI 2003 No 2682 reg 122(2)).

<b>royalties</b>	A business established to receive royalties is an excluded activity for venture capital trust purposes under Income Tax Act 2007 s306.
<b>Royal Society for the Prevention of Cruelty to Animals (RSPCA)</b>	Charity formed in 1824 to promote animal welfare.
<b>Royal Society for the Protection of Bird (RSPB)</b>	Charity formed in 1889 as the Plumage League to promote the conservation and protection of birds.
<b>Royal trustees</b>	People appointed to administer the Civil List for the monarch (Civil List Act 1937 s9).
<b>royalty</b>	<p>Payment to someone for the right to use their property. Examples include copyright payments to authors and composers, patent payments to inventors, and similar payments to land-owners.</p> <p>For the purposes of corporation tax for intangible assets "royalty means a royalty in respect of the enjoyment or exercise of rights that constitute an <b>intangible fixed asset</b>" (Corporation Tax Act 2009 s714).</p>
<b>royal warrant</b>	Official authorisation for a supplier to provide goods or services to the royal household. The supplier may display a crest on his premises and notepaper.
<b>Royaume de Belgique</b>	French: Kingdom of Belgium.
<b>RP</b>	<p>(1) Retail price, particularly of a car as used in the formula in Corporation Tax Act 2009 s56.</p> <p>(2) Relevant percentage, as used in the formula in Finance Act 2013 s88.</p> <p>(3) Initials used as forename when a PAYE payment is made to a non-individual, such as to a trustee in bankruptcy.</p> <p>(4) Abbreviation used in formula for decommissioning expenditure in Corporation Tax Act 2010 s330B(2).</p>
<b>Rp</b>	Abbreviation: rupiah, currency of Indonesia.
<b>RPA</b>	<p>(1) Receipts and payments account.</p> <p>(2) Rural Payments Agency, an agency with responsibility for issuing agricultural licences, collecting Common Agricultural Policy (CAP) charges and paying CAP refunds.</p> <p>The Rural Payments Agency (RPA) was previously known as the Intervention Board Executive Agency (IBEA), the Intervention Board for Agricultural Products (IBAP) or simply as the Intervention Board (IB).</p> <p>(3) Responsible paying authority, for pensions.</p>
<b>RPB</b>	<p>(1) <b>Recognised professional body</b></p> <p>(2) <b>Regional planning body.</b></p>
<b>RPC</b>	<b>Reduced pollution certificate.</b>

<b>RPE</b>	Related person's estate. This expression is used in Inheritance Tax Act 1984 s8G(5) as inserted by Finance (No 2) Act 2015 s9.
<b>RPI</b>	Retail prices index; the official measure of inflation until December 2003 when replaced by CPI.
<b>RPM</b>	<b>Retail price maintenance.</b>
<b>RPPD</b>	"Regulatory Guide which contains a statement of the responsibilities of providers and distributors for the fair treatment of customers" (FCA glossary).
<b>RPSM</b>	Registered Pension Schemes Manual, an Inspectors' Manual produced by HMRC.
<b>RQF</b>	Regulated Qualifications Framework.
<b>RR</b>	Figure used in calculating the assignment of VAT to the Scottish Parliament, as set out in Scotland Act 1998 s64A(4).
<b>RR(A)A</b>	Race Relations (Amendment) Act 2000 .
<b>RRL</b>	Relevant retained liabilities (as used in Taxes Management Act 1970 s444ABB).
<b>RRMPR</b>	The Registered Remote Marking Premises Regulations 2002.
<b>RRP</b>	Days of the receipt period of a lease premium receipt (Income Tax (Trading And Other Income) Act 2005s64).
<b>RRR</b>	<b>Rural rate relief.</b>
<b>RRV</b>	For long funding leases, term used in the formula in Income Tax (Trading and Other Income) Act 2005 s148EA.
<b>RS</b>	<b>Repayment Supplement.</b> This is a sum paid automatically with a refund of tax if certain conditions are met.
<b>RSC</b>	Rules of the Supreme Court. [This is also the abbreviation of the Royal Shakespeare Company.]
<b>RSCM</b>	Royal School of Church Music.
<b>RSD</b>	<b>ISO code</b> for Serbian dinar.
<b>RSE</b>	<b>Renewable source energy.</b>
<b>RSPB</b>	<b>Royal Society for the Protection of Birds.</b>

<b>RSPCA</b>	<b>Royal Society for the Prevention of Cruelty to Animals.</b>
<b>RSRB</b>	Regulated sale and rent back.
<b>RSL</b>	Registered social landlord.
<b>RSS</b>	<b>Really Simple Syndication.</b>
<b>RSTPA</b>	Revenue Scotland and Tax Powers Act 2014.
<b>RSU</b>	<b>Restricted stock units</b>
<b>RTAR</b>	Revenue Traders Accounts and Records – the Revenue Traders (Accounts and Records) Regulations 1992.
<b>RTAS</b>	<b>Raw Tobacco Approval Scheme.</b>
<b>RTC</b>	<b>Requirement to correct.</b>
<b>RTE company</b>	<p>Private company limited by guarantee which is not a <b>commonhold association</b> and whose purpose is the right to collective enfranchisement of leaseholders of a leasehold property (Leasehold Reform Housing and Urban Development Act 1993 s4A).</p> <p>This definition is extended to company law by Companies Act 2006 s1181(4).</p>
<b>RTFO</b>	<b>Renewable Transport Fuels Obligation.</b>
<b>RTI</b>	<b>Real time information</b> , part of PAYE system.
<b>RTL</b>	<b>Repayment of Teachers' Loan scheme</b>
<b>RTM</b>	<b>Right to manage</b> , particularly in the expression "RTM company".
<b>RTM company</b>	<p>"A company is a RTM [right to manage] company in relation to premises if —</p> <ul style="list-style-type: none"><li>(a) it is a private company limited by guarantee, and</li><li>(b) its memorandum of association states that its object, or one of its objects, is the acquisition and exercise of the right to manage the premises"<p>(Commonhold and Leasehold Reform Act 2002 s73(2)).</p><p>This definition is extended to company law by Companies Act 2006 s1181(4).</p></li></ul>
<b>RTOG</b>	In relation to corporation tax surcharge on banks, "means the sum of any relevant transferred-out gains" (Corporation Tax Act 2010 s269DA(2)). The figure is calculated in accordance with <i>ibid</i> s269DD.
<b>RTP</b>	Registered Tobacco Premises, any premises registered under regulations 4 or 5 of The Tobacco Products Regulations 2001; ie premises approved either for the manufacture of tobacco products or for the safe storage of tobacco

products without payment of duty.

<b>RTR</b>	The Revenue Traders (Accounts and Records) Regulations 1992.
<b>RTWDV</b>	<b>Relevant tax written-down value.</b> The abbreviation is used in Capital Allowances Act 2001 s212J.
<b>RUB</b>	<b>ISO code</b> for Russian rouble.
<b>rubber stamp</b>	Colloquialism for approval or agreement that is given with little or no consideration of the issues.
<b>rub-down search</b>	<p>“Search which is neither an <b>intimate search</b> nor a <b>strip search</b>” (Customs and Excise Management Act 1979 s164(5)).</p> <p>The person to be searched, known as the <b>suspect</b>, may require the Customs officer to refer the matter to his superior (ibid s164(3)).</p> <p>The search must be done by an officer of the same sex as the suspect (ibid s164(4)).</p>
<b>rubber-stamp board</b>	Term used for boards of directors of <b>letter-box companies</b> and similar companies. They simply endorse what the real directors of the company says.
<b>Rubicon</b>	<p>Crossing the Rubicon means taking an irrevocable step.</p> <p>The river was between ancient Italy and Cisalpine. When Julius Caesar crossed this river in 49BC he became an invader of Italy, triggering a war. The term was also used when the German army crossed the Belgian frontier in 1914.</p>
<b>rubric</b>	<p>Ordinance or law, particularly an instruction inserted into text.</p> <p>The term comes from the fact that rubrics were traditionally printed in red.</p>
<b>ruby</b>	Precious stone of red corundum, or similar stone. By extension, the term means something of great value, particularly in the expression “above rubies”.
<b>rufiyaa</b>	Currency of Maldives.
<b>rugby</b>	<p><b>General</b></p> <p>Sport played in two forms: Rugby Union and Rugby League.</p> <p>It was originally an amateur game with 15 players a side; the latter is the main professional game with 13 players a side.</p> <p><b>Signing-on fee</b></p> <p>The tax case <i>Jarroll v Boustead [1964]</i> held that a player was not liable to pay employment tax on a signing-on fee when joining a Rugby League side from Rugby Union. The payment was compensation for giving up his amateur Rugby Union status which then barred him for life from Union. The inspectors' manual at EIM00710 states that this precedent is unlikely to be followed now as a result of changes in the status of Rugby Union players.</p>



### **Mutual trade**

The extent to which a rugby club is a mutual trade is discussed in the Inspectors' Manual at BIM 24365.

### **Early retirement**

A rugby player may retire on a personal pension at the age of 35, provided:

- the person had the right by 5 April 2006,
- the right was unqualified in that it needed no other person to consent,
- the right was set out in the governing documentation of the pension scheme by 10 December 2003.

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

This relaxation of pension rules applies to both Rugby Union and Rugby League players.

Before 6 April 2006 (when the normal pension retirement age was 60), a rugby referee was allowed to retire on a full pension at the age of 50.

### **ruination**

State of being ruined, particularly financially.

### **rUK**

Rest of the UK. The term is often used to mean those parts of the UK not covered by a devolved tax.

### **RUL**

Relevant unused loss. The abbreviation is used in the formula in Corporation Tax Act 2009 s1201 and s1216CH(3). For video games tax relief, it is used in Corporation Tax Act 2009 s1217CH(2).

It is also used for theatrical production relief in Corporation Tax Act 2009 s1217KA(2).

It is also used for orchestra tax relief in Corporation Tax Act 2009 s1217RH(2).

### **rule**

Regulation which determines proper procedure or behaviour. The term also has a specific meaning of one of the Rules of Court.

### **rule against perpetuities**

Law that imposes restrictions on **perpetuities**.

### **rule nisi**

Old legal term for an order from a superior court that is held to be absolute unless a contrary good cause is shown.

### **rule of 72**

Rule of thumb for calculating the number of years over which **compound interest** will cause a figure to double.

You simply divide 72 by the interest rate. The answer is the number of years it will take that rate for the money to double. So, for an interest rate of 6%, the **principal** will double in 12 years.

Although this is an approximation, it is remarkably accurate. After 12 years at 6% compound interest a sum will have grown to 2.012 times its original amount.

### **rule of 78**

Method of calculating **depreciation**, not widely used in practice. It is also more accurately known as the **sum of the digits** method, though "rule of 78" is the expression used in SSAP 21.

It works by adding up digits representing the order of months or years of the expected life of the **fixed asset** and charging a fraction of the total, where the **numerator** is the number of the month or year, starting with the highest, and the **denominator** is the sum of the digits.

So if an asset is to be depreciated over five years, depreciation in the first year would be 5/15 or one third under rule of 78, but one fifth under the straight line method.

The numbers 1 to 12 add up to 78. So if calculating depreciation over 12 months, the fractions would be 12/78, 11/78, 10/78 and so on to 1/78 in the final month.

#### **rule of 85**

Pension provision uniquely found in Local Government Pension Scheme. It states that if a person's age and years of service add up to 85, the person may retire on a full pension.

So if someone started work for a local authority at the age of 16, they would be able to retire on a full pension at the age of 51 (as  $51 + 35 = 86$ ).

This generous provision was abolished for new starters from 1 October 2006, and for existing members from 1 April 2008 subject to some transitional provisions.

#### **rule of 97**

Algorithm used in **VAT numbers**.

A VAT number has nine digits of which the last two are **check digits**. The first seven digits are respectively multiplied by 8, 7, 6, 5, 4, 3 and 2. These products are then totalled. The last two digits are the lowest number which must be added to make the total divisible by 97.

#### **rule of court**

(1) Order made on a motion in court (usually open court), or to a rule that generally applies in court.

(2) A submission to arbitration or the award of an arbitrator when it is made under Arbitration Act 1950.

#### **rule of law**

Doctrine that the affairs of society are regulated by everyone being equally bound by law.

#### **rule of thumb**

Simple rule which usually gives the right answer, provided its limitations are appreciated. The expression comes from the ancient use of a thumb as a measure of one inch.

In business, examples include:

- **rule of 72**
- **Pareto principle.**

#### **rules about manufactured payments**

Term is used in Income Tax Act 2007 s606(8) to mean provisions in:

- Chapter 2 of Part 11 of the Income Tax Act 2007
- rules made under Chapter 2
- Chapter 3 of Part 11
- Chapter 9 of Part 15, and regulations made under it.

<b>Rules of Court</b>	“In relation to any court means rules made by the authority having power to make rules or orders regulating the practice and procedure of that court, and in Scotland includes Acts of Adjournal and Acts of Sederunt; and the power of the authority to make rules of court (as above defined) includes power to make such rules for the purpose of any Act which directs or authorises anything to be done by rules of court” (Interpretation Act 1978 Sch 1).
<b>rum</b>	Alcoholic drink, a spirit from distilled sugar cane.
<b>rumble seat</b>	Additional seats added behind the driver for what is otherwise a two-seater vehicle. Originally such a seat was added for servants.
<b>rummaging</b>	Old term for a search by Customs officers for smuggled goods.
<b>rum-running</b>	<p>Illegal smuggling of liquor, not necessarily rum. The practice particularly applies to the period of <b>prohibition</b> in the USA between 1920 and 1933.</p> <p>Sometimes a distinction is made between <b>bootlegging</b> as illegal supply over land, and rum-running as a supply over water.</p>
<b>run on the bank</b>	<p>When a bank is deluged with customers seeking to withdraw funds.</p> <p>This is usually caused by a panic induced by fears that the bank has insufficient <b>bank reserves</b> to cover deposits. Customers withdraw the money while there still is some and before the bank becomes insolvent.</p>
<b>running account credit</b>	Another name for <b>revolving credit</b> . It allows people to borrow more money while repaying previous borrowings, provided a limit of borrowing is not exceeded. Credit cards operate on this basis.
<b>running costs</b>	Cost of using an asset (particularly a car) as opposed to the costs of owning it.
<b>running costs</b>	The cost of using an asset rather than of owning it. This term is of particular application to cars where it applies to petrol, tyres, repairs, servicing and parking. Other costs, such as road tax, MOT, insurance, cost of capital and depreciation, are classified as <b>standing charges</b> .
<b>running tank</b>	Tank on a vehicle that stores fuel used to propel the vehicle, as against an <b>auxiliary tank</b> or <b>belly tank</b> that stores fuel to operate separate machinery. Fuel in the running tank must be <b>duty-paid</b> (Customs notice 75).
<b>running total</b>	Sum of figures to which further figures will be added.
<b>running water</b>	<p>Description of the facility of a building where water is available immediately from a tap.</p> <p>Historically this term has had other meanings.</p>
<b>running yield</b>	An estimate of the annual rate of interest paid out by fixed income investments like corporate bonds and gilts. It doesn't take into account any increases or decreases in the capital value of the investment.

<b>run-off period</b>	In relation to payment of pension benefits as part of an employee <b>termination payment</b> , "means the period which — (a) starts with the day on which the relevant employment terminated, and (b) ends with the last day of the sixth tax year following the tax year in which the period started" (Income Tax (Earnings And Pensions) Act 2003 s409(6)).
<b>runway</b>	For capital allowances, this is specifically excluded from the scope of plant and machinery (Capital Allowances Act 2001 s22(1) List B).
<b>rupee</b>	Currency of India.
<b>rupiah</b>	Currency of Indonesia.
<b>rural fuel duty</b>	Reduced rate of road fuel duty for rural areas.
<b>rural rate relief (RRR)</b>	Relief from business rates for public houses, shops and petrol stations where they are the only such business in a rural settlement. The relief must be at least 50%. The local authority has the discretion to increase this to 100%. Where a business also qualifies for small business rates relief, it may claim only rural rate relief.
<b>Russia</b>	Large country. Its currency is the rouble of 100 kopeks. The UK has a double taxation convention of 1994.
<b>RV</b>	Rateable value of a property let to an employee, as used in Income Tax (Earnings and Pensions) Act 2003 s103A(8) as inserted by Finance Act 2017 Sch 2.
<b>124RVF</b>	Relevant valuation factor. This abbreviation is used in Finance Act 2004 s 182(4) and 210(1).
<b>RVI</b>	<b>Referral of vision impairment.</b>
<b>Rwanda</b>	African country. Its currency is the Rwanda franc of 100 centimes. The UK has no double taxation treaty.
<b>Rwanda franc</b>	Currency of Rwanda.
<b>RWF</b>	<b>ISO code</b> for Rwanda franc.
<b>ryal</b>	Gold coin worth 10 shillings minted between 1464 and 1470, and gold coin worth 15 shillings minted in reigns of Mary and Edward I.
<b>rye</b>	Grass that can be used to make a form of whisky.
<b>Rysaffe</b>	Tax-effective arrangement where several discretionary trusts are established on different days.

The term comes from the case *Rysaffe Trustee Company (CI) Ltd v CIR [2003]*. In that case, a settlor established five equal value settlements over 35 days. Inland Revenue unsuccessfully argued that they should be treated as a single trust. The decision follows the **Reynaud** case.