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| S | <p>Tax code</p> <p>The letter S before a PAYE tax code indicates that the employee is regarded as subject to the Scottish rate of income tax (SRIT) from 6 April 2016.</p> <p>National insurance</p> <p>Contribution letter for an employee who is in a money purchase occupational pension scheme but who does not pay national insurance. The letter is replaced by C from 6 April 2012.</p> <p>Other meanings</p> <p>(1) Shaw, Scottish law reports of Session Cases, published between 1821 and 1838.</p> <p>(2) Old Roman numeral for 7.</p> <p>(3) US dollar, more popularly represented by the symbol \$. This was first used in 1785. It is believed to be a corruption of the figure 8.</p> <p>(4) South.</p> <p>(5) CFI code for an ordinary share.</p> <p>(6) For pool betting duty, this denotes the total of stakes.</p> <p>(7) Amount surrendered, as used in the formula in Corporation Tax Act 2009 s1201.</p> <p>(8) For capital allowance on an assured tenancy, the starting expenditure attributable to the dwelling-house (Capital Allowances Act 2001 s522).</p> |
| s | <p>(1) Section, particularly of an Act of Parliament.</p> <p>(2) Shilling, pre-decimal unit of currency worth 5p, so 4s = 20p.</p> |
| S£ | Abbreviation: Syrian pound. |
| S\$ | <p>(1) Abbreviation: Singapore dollar</p> <p>(2) Abbreviation: tala, currency of Samoa.</p> |
| SA | <p>(1) Self-assessment.</p> <p>(2) Abbreviation used in Income and Corporation Taxes Act 1988 s444AJ(5) to mean "surplus arising" in relation to life assurance business.</p> |
| S & L | Savings and loans. |
| S2P | <p>State Second Pension.</p> <p>[The abbreviation SSP is used for statutory sick pay.]</p> |
| SA | South Africa, including its law reports published from 1948. |
| SAAD | Simplified Administrative Accompanying Document |

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| SAARC | South Asian Association for Regional Cooperation. Its members are: Bangladesh; Bhutan; India; the Maldives; Nepal; Pakistan and Sri Lanka. |
| SAB | Safeguarding Adults Board. |
| Saba | One of the islands of what was known as the Netherlands Antilles. |
| Sabbath | Holy day of the week. This is generally Friday for Muslims; Saturday for Jews; and Sunday for Christians. There are some special trading provisions for Sunday. |
| sabbatical | Period of leave, usually paid, to allow a person to study or rest. These are common in education and the church. |
| sabbatical officers | Term considered in the VAT case <i>Keele University Students Union [2009] TC 82</i> . The union wished to claim VAT exemption for admission to cultural entertainments under Value Added Tax 1994 Sch 9 Group 13 Note 2(c). This required the union to be run on a voluntary basis. The union was run by sabbatical officers who received bursaries that were below the market rate for the job but which were not nominal. This meant that the union was not run on a voluntary basis and could not claim the exemption. |
| sabin | Unit of 2acoustic absorption. |
| sabotage | Deliberate damage to another's property. Payments to buy off a saboteur are not tax deductible as they are a criminal payment and disallowed by Corporation Tax Act 2009 s1304. The matter is discussed in the Inspectors' Manual at BIM 43180. |
| SaBRE | Support for Britain's Reservists, part of the Ministry of Defence that deals with reservists . |
| SAC | Summary Appeal Court. |
| saccharometer | Hydrometer used to measure the concentration of sugar solutions. It was invented in 1847 and used to measure the strength of beer for beer duty purposes from 1880. |
| sack | Dismissal from employment. The term comes from the old practice of giving the worker a sack in which to remove his belongings. |
| sackcloth and ashes | Colloquialism for the state of contrition and penitence. The term comes from the ancient Hebrew custom of wearing such items. |
| sacrifice | Voluntary offering of one's property, particularly to appease gods. In finance, the term is used to mean giving up one benefit to receive |

another, such as a **salary sacrifice** scheme to gain a better pension.

SAD **Single Administrative Document.**

SA Donate A scheme where self-assessed taxpayers may indicate on their tax returns that they wish any tax refund to be donated to a charity.

The scheme was introduced in 2005. Hardly any use was made of it, so it was closed from 6 April 2012.

saeve indignatio Latin: extreme indignation.

SAFE **Strategic Accounting Framework**, HMRC computer system.

safe *Definition*

A secure repository for storing cash, documents and other valuable items. They are also known as **coffers** and **strongboxes**. A safe can be as large as a room, though such safes are more commonly known as **strong rooms** or **vaults**. A safe may be disguised as a **concealment device**.

In addition to providing protection from theft, a safe may offer protection from fire.

In the UK, safes conform with the standards set out in British Standard EN-1047 on fire retardance and impact resistance.

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.

Spirits duty

The term has a specific meaning for spirits duty, as set out in Customs notice 39.

safe-bouncing Opening a safe by hitting it hard on the top so that the lock springs open.

safe-cracking Opening a safe without the key or lock combination.

safe deposit **Safe** primarily used to keep valuables such as currency and jewels.

safe-for-work Description of a product or service that is safe for use in the workplace. It includes websites that are free of **nudity** and **hate speech**.

safeguarded amount Balance that must be left in a taxpayer's bank account after HMRC has seized the funds under the provisions of Finance (No 2) Act 2015 Sch 8, which require no court approval. The safeguarded amount is £5,000 for a first **hold notice** and zero for a subsequent hold notice.

safeguarded rights For pensions, the rights as set out in Pension Schemes Act 1993 s68A.

Safeguarding Adults Board (SAB)

Board that each local authority is required to establish under Care Act 2014 s43.

safeguarding adults review A review that a **Safeguarding Adults Board** may be required to carry out into a particular individual under Care Act 2014 s44.

safe harbour Term for any provision which provides a measure of protection against a regulation.

For controlled foreign companies from 2012, the term relates to activities that are automatically not within the UK tax charge.

safe harbour profits In relation to the new regime for **controlled foreign companies**, refers to such a company that makes a low profit relative to its cost base and would therefore be exempt from a UK tax charge.

safe house Place where a person may be kept safely, such as when they are vulnerable to violence, abduction or intimidation.

safety factor Ratio between the actual breaking point of a material or structure, and the permissible minimum. By extension, this is used for any similar margin, such as an addition to cost price to allow for lower than expected sales.

safety need Second level under Maslow's hierarchy. The security a person needs to feel to be able to address social needs.

safety net Net placed below acrobats to prevent injury if they have an accident.
In finance, the term is used to mean any similar provision designed to minimise the consequences of an adverse situation.

safety paper Paper that is designed to be difficult to copy, such as is used for banknotes and some documents.

safety seat In relation to the reduced rate of VAT for child car seats, "means a seat —
(a) designed to sat in by a child [under 14] in a road vehicle,
(b) designed so that, when in use in a road vehicle, it can be restrained in one or more of the following ways —
(i) by a seat belt fitted in the vehicle, or
(ii) by belts, or anchorages, that form part of the seat being attached to the vehicle, or
(iii) by a **related base unit**, and
(c) incorporating an integral harness, or integral impact shield, for restraining a child seated in it"
(Value Added Tax 1994 Sch 7A Group 5 para 2).

safety valve A means by which excess pressure, such as in a boiler, may be relieved to prevent damage. By extension, the term applies to any such similar provision, such as a clause in an agreement.

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| SAI | Amount shown in a unit trust's scheme as income. The abbreviation is used in Corporation Tax Act 2009 s973(2). |
| SAIL address | Single alternative inspection location. This term is used by Companies House when a business holds its records for inspection at an address other than its registered office. |
| sailaway boat | <p>A vessel supplied VAT free in the UK, which is to be exported under its own power to a destination outside the VAT territory of the EU.</p> <p>The special VAT provisions for sailaway boats are given in VAT notices 703/3 (intra-EU) and 703/2 (outside EU).</p> |
| sailing | <p>The Customs implications of sailing to and from the UK are set out in Customs notice 8.</p> <p>The special VAT provisions for sailaway boats are given in VAT notices 703/3 (intra-EU) and 703/2 (outside EU).</p> |
| SAIM | Prefix for HMRC's tax manual on savings and investment. |
| Saint Helena | UK Overseas Territory comprising a volcanic island in the South Atlantic Ocean. The currency is the St Helena pound. |
| Saint Helena pound | Currency of St Helena. |
| Saint Kitts and Nevis | Caribbean country. Its currency is the East Caribbean dollar of 100 cents. The UK has a double taxation arrangement of 1947. |
| Saint Lucia | Caribbean country. Its currency is the East Caribbean dollar of 100 cents. The UK has no double taxation treaty. |
| Saint Matthew | Patron saint of accountants, bankers, bookkeepers and tax collectors. |
| Saint-Simonism | Extreme form of socialism advocated by Claude Henri, Comte de Saint-Simons (1760-1825) in which all industrial production was on a large scale with states as the only customers. |
| Saint Vincent and the Grenadines | Caribbean country. Its currency is the East Caribbean dollar of 100 cents. The UK has no double taxation treaty. |
| Saladin tithe | A levy of one tenth of rents charged in 1188 to pay to recover Jerusalem. This was the first taxation to include a specific provision against fraud. |
| salami cuts | <p>When an asset is reduced by many series of small slices being removed.</p> <p>Salami is a seasoned Italian sausage which is traditionally sliced thinly.</p> |
| salami slicing | In advocacy, process of reducing evidence or an argument to a series of propositions, each of which can be attacked. |

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| salariat | Salaried employees viewed collectively. |
| salaried | Description of a person who is employed for a salary. |
| salaried hours | <p>One of the four bases for determining whether national minimum wage (NMW) regulations have been followed. A worker is on salaried hours if paid so much per week, month or year, rather than per hour.</p> <p>The requirement under NMW rules is that the employee is paid the NMW for the contracted hours during each pay reference period.</p> <p>The procedure is similar to that for time work, except that the NMW must generally be paid for absences (such as holidays and sickness) under salaried hours. There is an exception for absences where the contract of employment states that the employee is not entitled to his full pay and, in fact, does not receive his full pay.</p> |
| salaried partner | Member of a partnership who receives a salary either in addition to or instead of a share of partnership profits. |
| salary | <p>Amount paid to an employee, particularly on an annual basis. The word originally meant salt money, as workers were once paid in salt.</p> <p>A salary paid to a worker by a business is tax-deductible. The worker is liable to income tax and class 1 national insurance on the salary. This is usually collected under Pay As You Earn.</p> <p>A salary paid to a partner or sole trader is not tax-deductible. These are regarded as drawings and must be added back to taxable profit.</p> |
| salary cheque | Either a cheque issued to a person in payment of salary, or a cheque drawn to a bank to allow the salaries of all salaried staff to be paid. Such cheques are usually issued monthly. |
| salary definition | Term used in group insurance to define what is meant by an employee's salary when calculating insured benefits. |
| salary sacrifice | <p>Arrangement whereby an employee gives up part of his or her salary in lieu of a benefit, usually one which is either tax free or which is subject to a lesser amount of income tax or national insurance or both.</p> <p>From 6 April 2017. the tax advantage is removed as the benefit is taxed on the rate of the income sacrificed.</p> <p>For previous periods, a salary sacrifice scheme worked only if the contract of employment was changed and could not be further varied unilaterally by the employee.</p> <p>The exemption for trivial benefits does not apply if the benefit is provided as part of a salary sacrifice scheme (Income Tax (Earnings and Pensions) Act 2003 s323A(8) as inserted by Finance Act 2016 s13).</p> |
| salary scale | Another term for pay scale . |
| sale | <p>(1) Transaction where an item is sold.</p> <p>A contract is a sale where one party provides money to the other for goods or services.</p> |

(2) Period when goods are offered at a reduced price, such as for clearing stock.

(3) In relation to a sale of trading stock to a connected person, various terms are defined in Income Tax (Trading and Other Income) Act 2005 s181.

saleable

Able to be sold.

sale and finance leaseback

The provisions for capital allowances are found in Capital Allowances Act 2001 from s221.

sale and leaseback

Arrangement where an organisation sells an asset and then leases it back from the buyer.

The arrangement is most commonly used when the organisation has valuable assets but needs a lump sum of cash.

Corporation tax provisions are given in Corporation Tax Act 2009 s225 and from s834. Income tax provisions are given in Income Tax Act 2007 from s681A and Income Tax (Trading and Other Income) Act 2005 s285.

Sale and leaseback was once used as a means whereby a non-taxable body could sell assets to a commercial business which leased them back at a lower cost, reflecting the capital allowance the business could claim. This was stopped by legislation from 2 July 1997.

sale and repurchase

A form of trading where the seller agrees to buy back the goods on certain conditions. Such trading methods are common in specific trades such as book selling.

The accounting treatment is explained in Application Note B to FRS 5. Basically this requires the repurchase terms to be considered to determine whether the stock should be regarded as belonging to the seller.

The implications under the **accrued income scheme** are set out in Income Tax Act 2007 s654.

sale and repurchase of securities

The capital gains tax provisions are given in Taxation of Capital Gains Act 1992 s263A.

sale at undervalue

A sale of an asset for less than the sum that would be expected.

Such sales commonly arises in domestic arrangements and in tax planning. There are usually tax provisions to substitute market value in such cases.

For the disposal of a short lease, there is a specific provision in Capital Allowances Act 2001 s88.

sale by description

Sale of goods which are described in the contract.

Sale of Goods Act 1979 s13(1) requires that the goods sold must conform to that description.

sale by retail

Term used in Licensing Act 2003 s192 to mean (broadly) a sale of alcohol for consumption on the premises.

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| sale by sample | <p>Sale of a quantity of goods of the same specification as a sample.</p> <p>Sale of Goods Act 1979 s15(2) imposes the condition that “the bulk will correspond with the sample in quality”. S3(2) requires all the goods to conform to the sample; it is not sufficient that most of the goods do.</p> |
| sale consideration | <p>This term is given a specific meaning in Taxation of Capital Gains Act 1992 s145 in relation to capital gains tax indexation on options.</p> |
| sale of foreign dividend coupon | <p>The tax consequences are set out in Corporation Tax Act 2009 from s974.</p> |
| sale of goods | <p>Sale of goods for money.</p> <p>Where this is a consumer sale, it is regulated by Sale of Goods Act 1979. This implies certain conditions into the sale. Such conditions are not implied in a sale to someone for their business.</p> |
| sale of goods by way of competitive bidding | <p>“Means any sale of goods at which the persons present, or some of them, are invited to buy articles by way of competitive bidding” (Mock Auctions Act 1061 s3(1)).</p> |
| sale of work | <p>Sale of items made for the purpose, particularly by members of a church or other fund-raising body.</p> |
| sale or return (SOR) | <p>Method of trading where a customer takes goods on the basis that they are either returned or bought.</p> |
| sale price | <p>Price asked for goods which is below the normal price.</p> |
| sales | <p>Term in profit and loss account which indicates income from trading activities.</p> |
| sales analysis | <p>Management accounting exercise to determine how much each product or service contributes to overall sales.</p> |
| sales book | <p>Record of sales completed, as against the order book which is a record of sales orders received.</p> |
| sales budget | <p>Budget which determines what sales are required by an organisation.</p> |
| sales chart | <p>Graphic representation of sales from one period to the next.</p> |
| sales contract | <p>For the purposes of consumer protection, this is a contract under which:</p> <p>“(a) the trader transfers or agrees to transfer ownership of goods to the consumer, and</p> <p>(b) the consumer pays or agrees to pay the price”</p> <p>(Consumer Rights Act 2015 s5(1)).</p> <p>“A contract is a sales contract (whether or not it would be one under subsection (1) if under the contract —</p> <p>(a) goods are to be manufactured or produced and the trader agrees to supply them to the consumer,</p> |

(b) on being supplied, the goods will be owned by the consumer,
and
(c) the consumer pays or agrees to pay the price”
(Consumer Rights Act 2015 s5(2)).

sales curve Graphic representation of how sales are varying from one period to the next.

sales department Section of a commercial organisation which is responsible for generating and administering sales of the organisation's products or services.

sales figures Total sales for a defined period.

sales force Collective term for all those engaged in selling an organisation's products or services.

sales forecast An estimate of what sales are expected to be achieved in a defined period.

sales incentive scheme Scheme that rewards employee or other person for achieving a performance that is to the business's advantage. Typically the scheme offers a prize, not usually in cash but in a perceived luxury items such as a holiday.

The cost of the scheme and its prizes is a tax-deductible if three conditions are met:

- the reward has been genuinely earned by the recipient,
- there is an obligation upon the trader to provide the gift, and
- the gift is provided as part of a genuine business scheme”

(Inspector's Manual at BIM 45080).

sales invoice Document sent to customers recording a sale. Unless the customer has already paid, the invoice is also a request for payment.

sales journal Book in which sales are recorded. Such a journal is usually restricted to non-cash sales. Entries from it are later posted to the sales ledger, and totals from the sales journal are posted to the nominal ledger.

sales ledger Record of how much each of your customers owe you.

sales ledger clerk Junior member of accounts department who is responsible for maintaining the sales ledger.

sales manager Person in charge of the **sales department**.

salesmanship Skill at selling.

sales mix Combination of different products and services which comprise an organisation's overall sales for a defined period.

sales mix profit variance Different profit margins on products and services within the **sales mix**.

sales of lessors expense Term defined in Finance Act 2000 s79A(3) in relation to tonnage tax, as added by Finance Act 2012 s24(3). [The Act does not include any apostrophe in the

first word.]

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| sales per employee | Ratio of turnover divided by number of employees. |
| sales pitch | Method used by a salesman to encourage customers to buy the goods or services being offered. |
| sales promotion | An incentive to encourage the sale of a product or service, such as money off coupons, or a “buy one, get one free” offer. |
| sales price variance | Difference between expected income from sales and actual income. |
| sales return | Report of actual sales made for a defined period. |
| sales tax | A tax which is imposed on the sale of items. VAT is sometimes called a sales tax, though strictly it is a tax on supplies. |
| sales volume profit variance | Difference between the forecast sales volume and the actual sales volume. |
| sale work | Work undertaken to produce goods for a special sale, often at a low price. |
| Salic law | Law that originated among the Salic Franks and then spread to France. It limited the right to inherit land to male heirs. |
| saliferous | Capable of yielding salt. |
| Salisbury convention | Parliamentary agreement that the House of Lords will not vote down any proposal that was in the manifesto of the political party that won the last general election. |
| Salisbury, 3rd Marquis of | English Conservative peer (1830-1903) who was prime minister from 23 June 1885 to 28 January 1886, and from 25 June 1895 to 11 July 1902. |
| Salmanezah | Champagne bottle with a capacity of 12 standard bottles. |
| Salmond, Alex | Scottish SNP politician (1954-) who was First Minister of Scotland from 16 May 2007 to 19 November 2014. |
| salmon family | “Includes all fish of whatever genus or species belonging to the family Salmonidae” (Diseases of Fish Act 1937 s10). |
| Salomon v Salomon | Court case from 1897 which clearly established that a company has a separate legal personality from its owners. |
| Salop | Shropshire. |
| SALR | South Australian Law Reports, published from 1866 to 1892, and from 1899 to 1920. |

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| salt | <p><i>Value added tax</i></p> <p>For VAT, salt for culinary use is zero-rated as food, “including fine salt, dendritic salt, and, in retail pack (12.5g or less) — rock and sea salt”. These forms of salt are standard-rated: “compacted salt (pellets and tablets), granular salt, rock salt (other than retail packs), soiled salt, salt for dishwashers and salt of any type for non-food use” (VAT notice 701/14). </p> <p><i>Old colloquialism</i></p> <p>The term is also an old colloquialism for the practice of putting a very high value on an item to encourage interest and sales.</p> |
| salt away | <p>Put money aside for later use, also known as squirrelling. The term comes from putting aside meat in salt.</p> |
| salt spring | <p>Profits from this, when run as a trade are subject to income tax (Income Tax (Trading And Other Income) Act 2005s12) or corporation tax (Corporation Tax Act 2009 s39).</p> |
| saltus | <p>Break in logic; a leap to a conclusion.</p> |
| salus populi suprema lex esto | <p>Latin: let the welfare of the people be the final law (Cicero).</p> |
| salvage | <p>Process of recovering some value from an asset which would otherwise have no value, such as removing parts from a car which has been scrapped or ship which is stopped from sinking.</p> |
| salvage | <p>This is generally zero-rated under Value Added Tax Act 1994 Sch 8 Group 8.</p> |
| salvage charges | <p>“Charges recoverable under maritime law by a salvor independently of contract” (Marine Insurance Act 1906 s65(2)). Typically maritime law allows a salvor to claim up to 10% of the value of the item salvaged. Such costs may be recoverable under a policy of marine insurance.</p> |
| Salvation Army | <p>Christian denomination and charity, run on quasi-military grounds, founded in 1865. It works to provide shelters for the homeless and related humanitarian work.</p> |
| salvo jure | <p>Latin: saving the right, ie without prejudice.</p> |
| salvor | <p>One who salvages something, particularly a ship.</p> |
| SAM | <p>Social accounting matrix.</p> |
| Samaritans | <p>Charity founded in 1953 that provides comfort to the suicidal and despairing. It derives its name from a parable in Luke 10:30-37 in the Bible.</p> |
| same-day addition | <p>In relation to inheritance tax on a settlement, the term is defined in Inheritance Tax Act 1984 s62A.</p> |

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| same day rule | <p>Capital gains tax rule for identifying the acquisition cost of a share or other security where the taxpayer has made more than one acquisition.</p> <p>This rule states that shares sold on the day of acquisition are ranked first. This is followed by the 30-day rule.</p> |
| same premises test | <p>In tax, a test for eligibility for the annual investment allowance.</p> <p>Companies are eligible if they are within the same business classification and operate from the same premises at both the beginning and end of the chargeable period.</p> |
| same roof rule | <p>Rule that a victim cannot claim compensation for sexual abuse suffered from someone living under the same roof for periods before 1 October 1979.</p> |
| Samoa | <p>Island country in Pacific Ocean. Its currency is the tala of 100 sene. The UK has no double taxation treaty.</p> |
| sampi | <p>Greek character denoted by the symbols τ or T to denote 900.</p> |
| sample | <p><i>General</i></p> <p>Small quantity of an item which is considered as representing the whole, such as when testing a batch of goods or trying out a product before buying a quantity of it.</p> <p><i>Consumer protection</i></p> <p>In a consumer contract, goods sold against a sample must match that sample (Consumer Rights Act 2015 s13).</p> <p><i>Value added tax</i></p> <p>For VAT, a supply of a sample worth more than £50 is a taxable supply. From 2012, the limit applies to any number of samples provided by the same supplier to the same recipient. Previously, the limit applied only to the first sample provided in the year. This was found to be contrary to EU law.</p> |
| sample product | <p>Product supplied solely for the purpose of obtaining orders.</p> <p>There is a special Customs procedure under which samples may be exempt from Customs duty and import VAT. The three conditions are:</p> <ul style="list-style-type: none">• once imported, the item can only be used as a sample• it is of negligible value (typically less than £20, though this is not a statutory or regulatory limit)• it is supplied solely to gain further orders for the product. <p>Customs are more likely to accept an import as a sample product if it is so marked, and if the importer or user is required to destroy the sample after examination.</p> |
| Samurai sword | <p>Customs may seize any such sword with a curved blade exceeding 50cm in length unless it is imported for participation in martial arts events or religious ceremonies (Customs notice 1).</p> |
| sanctionable benefit | <p>Social security benefit to which sanctions may be applied. Commonly these include reducing or stopping benefit for non-compliance with a condition.</p> |

The term is used in Welfare Reform Act 2012 s117.

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| sanctions order | <p>Order that bans or restricts the export of certain military or other sensitive goods to a particular state.</p> <p>The Department for Business, Innovation and Skills administers such orders, and grants licences if it is permissible to export goods.</p> |
| sanction warning notice | <p>Notice that the Oil and Gas Authority must issue under Energy Act 2016 s49 before imposing an operator removal notice.</p> |
| sandbox | <p>In computing, a security mechanism that separates programs running at the same time.</p> <p>It is used to test new software and to protect existing software from any risk caused from other software. The main element is to provide a separate protected area of the computer for the new software.</p> |
| sand pit | <p>Profits from a quarry run as a trade are subject to income tax (Income Tax (Trading And Other Income) Act 2005s12) or corporation tax (Corporation Tax Act 2009 s39).</p> |
| San Marino | <p>Enclave country in Italy. Its currency is the euro of 100 cents. The UK has no double taxation treaty.</p> |
| sandwich | <p>For VAT, this is zero-rated as food when supplied as a grocery item, but standard-rated as catering when provided as part of a party or buffet service (VAT notice 701/14).</p> <p>The provision on a platter for instant use by the customer is still a supply of food, per <i>Out to Lunch [1993] VATTR 13031</i>.</p> |
| Sandwich Islands | <p>UK Overseas Territory administered from the Falkland Islands.</p> |
| sandwich relief | <p>For CGT, term sometimes used for the various reliefs that allow a period of absence from a main residence to be regarded as a period of occupation, and thus maintain the main residence relief. The various reliefs are set out in Taxation of Capital Gains Act 1992 s223.</p> <p>The main sandwich reliefs are:</p> <ul style="list-style-type: none">• a period of any length while the taxpayer worked outside the UK• a period or periods of up to four years in which the taxpayer worked elsewhere in the UK but where the employer reasonably required the taxpayer to live elsewhere• the last 18 months of occupation (36 months before 6 April 2016). |
| sanitary protection | <p>For VAT, such products may (from 1 January 2001) be reduced-rated for VAT under Value Added Tax Act 1994 Sch 7A Group 4. The exact scope is given in VAT notice 701/18.</p> <p>In the Autumn Statement 2015, the Chancellor said he would ask the EU for a derogation to zero-rate these products and avoid what had become known as the tampon tax. In the meantime, he announced that the £15 million revenue would be donated to women's charities.</p> |

sanitaryware 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.

sans frais French: without expense.

sans recours French: without recourse.
Where an agent so signs a bill of exchange, he is not personally liable on it (Bills of Exchange Act 1882 s16).

sans serif Description of a type face that has no serifs — the little lines added to the edges of letters:



sans serif letter



serif letter

santim One hundredth of lats, currency of Latvia.

SAO **Senior accounting officer.**

SAOG HMRC guidance manual for **senior accounting officers.**

Sao Tome and Principe Island country in the Gulf of Guinea. Its currency is the dobra of 100 centimos. The UK has no double taxation treaty.

SAP (1) **Statutory adoption pay.**
(2) Business management software company.

sapere aude Latin: dare to know.

Sapir Report Report published in 2003 by a panel of experts chaired by André Sapir. The report was commissioned by the European Commission to analyse the Lisbon Strategy in relation to the European economy.

sapphire jubilee Commemoration of 65 years. The Queen became the first British monarch to celebrate such a jubilee on 6 February 2017.

SAR (1) **ISO code** for Saudi Arabian riyal.
(2) **Suspicious Activity Report.**
(3) **Subject access request.**
(4) **Self-assessment return.**

SARL **Société à Responsabilité Limitée.** French: limited company.

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| SAS | Statement of Auditing Standards. |
| SASA | In relation to corporation tax surcharge on banks, this abbreviation is used in the formula in Taxation (International and Other Provisions) Act 2010 s371BI(2). |
| sasine | In Scots law, the act of giving possession to legal property. |
| SASP | Single authorisation for simplified procedures. |
| SASR | South Australian State Reports, law reports from 1921. |
| satang | One hundredth of a baht, currency of Thailand. |
| satisfaction and release | In company law, when a debt has been paid or otherwise released. This must be notified to Companies House and recorded in the register of charges (Companies Act 2006 s872). |
| satisfactory quality | <p>For consumer protection, “the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory, taking account of—</p> <ul style="list-style-type: none">(a) any description of the goods,(b) the price or other consideration for the goods (if relevant), and(c) all the other relevant circumstances (see subsection (5)).” <p>(Consumer Rights Act 2015 s9(2)).</p> <p>Subsection (5) “includes any public statement about the specific characteristics of the goods made by the trader, the producer or any representative of the trader or producer”.</p> |
| SATR | Self-assessment tax return. |
| sat sapienti | Latin: a nod to the wise. |
| Saturday fund | Mutual insurance fund as originally set up in the 1870s. The name comes from the then current practice of paying workers on a Saturday from which they contributed to their health insurance. The current tax treatment is discussed in the Inspectors' Manual at BIM24685. |
| Saudi Arabia | Arab state. Its currency is the Saudi riyal of 100 halalas. The UK has a double taxation convention and protocol of 2007, and an air transport agreement of 1993. |
| Saudi riyal | Currency of Saudi Arabia. |
| sausage casings | <p>For VAT, such a product was manufactured using reconstituted collagen with a permitted additive to aid digestion.</p> <p>The VAT tribunal held that these were zero-rated as a food, even though they would not be eaten without further manufacture. Flour, sugar and many other products are clearly food but not eaten as supplied. <i>Devro Ltd. [1991]</i></p> |

VTD 7570.

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| SAV | Shares and Assets Valuation, a department of HMRC. |
| Sav | Savile's Reports, law reports of Common Pleas from 1580 to 1594. |
| sav | Stock at valuation. |
| save as you earn (SAYE) | <p>Process of putting aside money from earnings for use later. If the money is used to buy shares in the employer, there are some tax-advantaged schemes available to the employee.</p> <p>The term is now generally restricted to SAYE option schemes for employees.</p> <p>Before 30 November 1994 there was also ordinary SAYE introduced in 1969, which allowed up to £20 a month to be saved in a tax-advantaged scheme. It was in effect replaced by the TESSA which is now itself replaced by the ISA.</p> |
| saver | Person who puts money aside for use later. |
| Save the Children Fund | Charity formed in 1919 to provide relief and other support for children in developing countries. |
| Saving Gateway | <p>Proposed scheme of tax-advantaged saving due to be introduced in July 2010. It was scrapped on a change of government.</p> <p>The Act to introduce it was Saving Gateway Accounts Act 2009. It was repealed by Savings Accounts and Health in Pregnancy Grant Act 2010 s2.</p> |
| savings | <p>(1) Amount of money someone has put aside.</p> <p>(2) Reductions in expenditure, particularly when this is achieved without any loss of quality or service.</p> |
| savings account | Bank account which is designed to accommodate the savings of an individual. Typically such an account pays interest but requires notice for withdrawals. |
| savings additional rate | The additional rate of income tax applied to savings income in accordance with Income Tax Act 2007 s7A as inserted by Finance Act 2016. |
| savings bank | Bank which offers savings accounts . |
| savings basic rate | The rate of income tax applied to savings income in accordance with Income Tax Act 2007 s6C as inserted by Finance Act 2016. |
| savings bond | American term for savings certificate . |
| savings certificate | <p>Document showing how much an individual has saved with the organisation issuing the certificate.</p> <p>For corporation tax, a definition is given in Corporation Tax Act 2009 s1281(3).</p> |

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| savings credit | One of two elements of the state pension credit . The other is the guarantee credit (State Pension Credit Act 2002 s3). |
| savings credit threshold | Amount of a pensioner's income which meets one of the conditions for receiving the savings credit element of the state pension credit (State Pension Credit Act 2002 s3). |
| Savings Directive | "Means Council Directive 2001/48/EC of 3 rd June 2003 ("the Directive of 2003") on the taxation of savings income in the form of interest payments as amended by Council Directive 2004/66/EC, and a reference, without more, to a numbered Article is a reference to the Article of the Directive of 2003, as so amended, which bears that number" (Importing of Savings Income Information Regulations SI 2003 No 3297 reg 2(1)). |
| Savings Gateway | Government sponsored savings account for the disadvantaged which was planned for introduction in July 2010. The details are contained in Savings Gateway Accounts Act 2009. The June 2010 Budget announced that they would not be introduced. |
| savings higher rate | Higher rate of income tax on savings income as set out in Income Tax Act 2007 s7A as inserted by Finance Act 2016. |
| savings income | Income which arises from savings rather than from earnings or other sources. The term has been used from 6 April 1996 for income which was subject to income tax at 20% rather than the normal basic rate. From 6 April 2008, the basic rate of income tax is 20%, so the distinction has largely been dropped. The full definition is given in Income Tax Act 2007 s18. |
| Savings Income Information Regulations (SIR) | Name of SI 2003 No 3297, in force from 1 July 2005. It transposes into English law the European Savings Directive . It sets out the duties of paying agents in reporting savings income to HMRC. |
| savings nil rate | The nil rate of income tax that can apply to savings under the provisions of Income Tax Act 2007 s12A as inserted by Finance Act 2016 s4. |
| savings plans | Package of financial products, that typically have high charges and a poor return. |
| savings rate | Low rate of income tax for those who have small incomes solely or largely comprising savings income (other than share dividends). The law is Income Tax Act 2007 s7. Before 6 April 2007, the savings rate was known as the lower rate. The rate was reduced from 10% to 0% from 6 April 2014 under Finance Act 2014 s3. |
| savings-related share option scheme | Tax-advantaged scheme which allows employees to buy shares in their employer by deductions from their pay. |

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| savoir-faire | French: knowing what to do. |
| savoury snacks | For VAT, three types of savoury snack are standard-rated, namely potato snacks (eg crisps), cereal snacks, and nuts that are roasted and salted. Other savoury snacks are zero-rated as food. The exact scope is set out in VAT notice 701/14. |
| sawbuck | American slang for a ten-dollar bill. |
| SAWS | Seasonal Agricultural Workers Scheme. |
| Sayce Review | Report published in June 2011 by Liz Sayce into Remploy factories for disabled people. Her conclusion was that government support for disabled should follow the person rather than the activity. This led to the closure of Remploy factories. |
| SAYE | Save As You Earn. |
| SAYE option scheme | Scheme established by a company under which employees obtain options in the employer's shares. The tax provisions are given in Income Tax (Earnings And Pensions) Act 2003 from s516. |
| SB | Supplementary benefit, a discontinued social security benefit. |
| SBA | Small Business Administration. |
| SBAT | Supplementary benefit appeals tribunal, no longer in existence. |
| SBC | (1) Standard beneficiary country. (2) Small Business Commissioner. |
| SBC complaints scheme | Scheme established by the Small Business Commissioner under the provisions of Enterprise Act 2016 s4(1). |
| SBC scope regulations | Regulations that the Small Business Commissioner may make further to define a small business (Enterprise Act 2016 s2(3)). |
| SBD | ISO code for Solomon Islands dollar. |
| SBEE | Small Business, Enterprise and Employment Act 2015. |
| SBRR | Small business rate relief. |
| SC | (1) Court of Sessions, Scottish law reports from 1906. (2) Special Commissioners (though the more common abbreviation is SpC). (3) Expression used in formula for ring-fence allowances in Corporation Tax Act 2010 s330A(3). (4) Supreme Court. |

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| sc | Scilicet. |
| scab | Trade union slang for a person who works during a strike. |
| scaccarium | The Exchequer. |
| scale | In finance, any arrangement where one figure is dependent on another, such as pay rates for different grades or sales discounts for different quantities. |
| scale charges | For PAYE, set charges for calculating output tax due on road fuel used for private motoring, if the fuel was bought by a business. The charges are based on the type of fuel and engine size. |
| scale model | Model of a building or other item of much reduced size but the same proportions. |
| scales | Means of weighing items, particularly by putting a predetermined weight on one pan and the weighted items on the other. It is also called a balance. |



By extension, it refers to any process by which competing claims may need to be compared to be offset against each other, to determine an overall result. In tax, such considerations may be needed to determine if someone is trading or is an employee.

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| scam | Fraud perpetuated by pretence. |
| scanner | Computer peripheral that takes an copies a document as a computer file. HMRC does not usually accept scanned documents as they can easily be forged or amended. |
| scapegoat | Person who alone pays for an offence committed by many. The term comes from the practice of symbolically placing the sins of people on to a goat which was then allowed to escape into the wilderness, as set out in Leviticus 16 in the Bible. |
| scareware | Malicious computer software that is designed to frighten users to purchase useless or dangerous software. |
| SCART | Type of plug with 12 pins used to connect items of audiovisual equipment. |
| scatter graph | Graph where two variables are plotted to see if a pattern emerges from which the ratio between the variables may be determined. |

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| scavage | Toll once charged by boroughs on goods sold that had been brought in from outside the borough. |
| scavenger | Person who looks for usable or reusable materials from waste. |
| ScB | Alternative form of B Sc, bachelor of science. |
| ScD | Alternative form of D Sc, doctor of science. |
| SCC Regulations | Social Security (Contributions) Regulations 2001. |
| SCCS | Social care compliance scheme. |
| SCE | European co-operative society. |
| sceat | Small silver or gold coin in Anglo-Saxon times. |
| SCF | Save the Children Fund. |
| SCG | Serbia and Montenegro, abbreviation of Sbrija i Crna Gora. |
| SCH | Secure children's home. |
| Sch | Schedule, particularly to an Act of Parliament. |
| 20scheduling system | System of determining income tax and corporation tax according to a schedule (designated A to F) according to the nature of the income. The system was introduced in 1803, and abolished in 2005 for income tax, and in 2009 for corporation tax. |
| Schedule 1AB claim | Claim for error and mistake relief, as set out in Taxes Management Act 1970 Sch 1AB. Guidance on this relief is provided in the Inspector's Manual at SACM 12085. |
| Schedule 2 share incentive plan | A share incentive plan (SIP) that is in accordance with Income Tax (Earnings and Pensions) Act 2003 Sch 2. The term is used in Corporation Tax Act 2009 s987 in allowing a tax deduction for the costs of such a scheme, and in s988 for allowing a tax deduction for the running expenses, and in s998 for withdrawal of tax relief if a share incentive plan ceases to be a Schedule 2 plan. |
| Schedule 15B offence | Criminal offence listed in Criminal Justice Act 2003 Sch 15B. |
| Schedule 19 deemed accounting period | In relation to corporation tax for oil industry and ring fence expenditure supplement, "means the deemed accounting period under paragraph 3(3) of Schedule 19B to [Income and Corporation Taxes Act 1988] ending before 1 January 2006. (Corporation Tax Act 2010 s311(5)). |

- schedule 19B losses** In relation to ring-fence income of oil and gas companies, this and similar terms are defined in Corporation Tax Act 2010 s325.
- Schedule 23** While there are many Acts that have 23 or more Schedules, this term probably means Finance Act 2001 Sch 23 which refers to the data gathering powers of HMRC.
- Schedule 36** Although there are many Acts that have 36 or more Schedules, in the context of tax, this usually refers to Finance Act 2008 Sch 36, which gives the detailed provisions of HMRC's powers of information and inspection.
- Schedule A** Basis for taxing income from land and buildings, such as rent. It was introduced in 1803 for income tax and in 1965 for corporation tax. It was abolished in 2005 for income tax and in 2010 for corporation tax. For income tax purposes, Schedule A income is now called **property income**.
Until 1963, Schedule A included a nominal charge paid by **owner-occupiers** for the **notional benefit** of the rent they received from themselves. **Mortgage interest relief** was originally a tax-deductible expense of this Schedule.
Schedule A was abolished for the tax years 1964/65 to 1969/70 when rent was collected under Schedule D Case VIII.
- Schedule A loss** Loss incurred by a company on its Schedule A activities (usually renting property). Corporation tax relief may be claimed under Income and Corporation Taxes Act 1988 s392A.
- Schedule B** (1) Former basis for taxing income from farming and woodlands.
The schedule was introduced in 1803. In 1963, farming became subject to **Schedule D** Case I on the same basis as other trading, and Schedule B was restricted to the commercial occupation of woodlands.
By the 1980s, the income from Schedule B was less than the amount lost by its use in tax avoidance schemes. Accordingly Schedule B was abolished in 1988, since when the commercial occupation of woodlands is generally tax-free.
(2) Form which must be completed by Methodist treasurers
- Schedule C** Former basis for taxing investment income from public funds, including local authorities and foreign states.
Schedule C was introduced in 1803, but abolished in 1996 when such income was taxed under Schedules D Cases III, IV or V for income tax and Schedule D Case III for corporation tax. This income is now known as **investment income**.
- Schedule D** Basis for taxing income from trading and similar activities. The Schedule was introduced in 1803 and used for income tax until 2005. It is still used for corporation tax.
Schedule D was divided into six to eight **cases** as follows:
• Case I trade;

- Case II profession or vocation;
- Case III certain investments;
- Case IV foreign investments;
- Case V foreign possessions;
- Case VI other income;
- Case VII short-term gains;
- Case VIII property.

Case VII only operated between 1962/63 and 1964/65 when it was replaced by **capital gains tax**.

Case VIII only operated between 1964/65 and 1969/70 while **Schedule A** was abolished.

For income tax, these Schedules are now replaced by descriptions of types of income. Cases I and II are generally called **trading income**; Case III is **investment income**; Cases IV and V are **relevant foreign income**.

Schedule E

Former basis for taxing income from employment, usually under **PAYE**. It was introduced in 1803 and abolished in 2003. It is now known as **employment income**.

Schedule E was divided into three **cases**:

- case I: UK earnings by UK residents;
- case II: UK earnings by non-residents;
- case III: overseas earnings by UK residents.

Schedule F

Former basis for taxing income from share dividends which applied from 1965 to 2005. Such dividends were charged under the **imputation system**.

scheduled and admitted bodies

A scheduled body is an organisation which has the right under legislation to become a member of the Local Government Pension Scheme. An admitted body is an organisation which does not have the automatic right to join the Local Government Pension Scheme but can join (be admitted to) with the agreement of the administering authority. It must be non-profit-making and will normally be receiving a grant from either central or local government.

scheduled tribunal

"Means a tribunal in a list in Schedule 6 that has effect for the purposes of this section" (Tribunals, Courts and Enforcement Act 2007 s30(2)).

schedules

(1) Part of Act
(2) **Tax schedules**, as categories of income. This meaning comes from the fact that they were schedules to Acts from 1799 and 1803 onwards. In 1952, the Schedules were incorporated into the Act. They are now abolished.

schema

Framework of knowledge about some aspect of the world.

scheme

Plan, method of working, layout or arrangement.
In finance, it often means a pension scheme.

Scheme administration employer payment

Payments made by a registered pension scheme that is an occupational pension scheme, to or in respect of a sponsoring employer or a former

sponsoring employer for the purposes of administration or management of the scheme.

Scheme administration member payment

Payments made by a registered pension scheme to or in respect of a member or a former member for the purposes of administration or management of the scheme.

The tax provisions are set out in Finance Act 2004 s171.

Scheme administrator

The person(s) appointed in accordance with the pension scheme rules to be responsible for the discharge of the functions conferred or imposed on the scheme administrator of the pension scheme by and under Part 4 of Finance Act 2004.

This person must be resident in an EU member state or in Norway, Liechtenstein or Iceland (EEA states which are not EU states). The person must have made the declarations to HMRC required by section 270(3) Finance Act 2004.

scheme administrator employer payments

“A payment made —

(a) by a registered pension scheme that is an occupational pension scheme, and

(b) to or in respect of a person who is or has been a sponsoring employer,

for the purposes of the administration or management of the pension schemes” (Finance Act 2004 s180(1)).

scheme-based pension protection levy

Part of **pension protection levy** which may be made under Pensions Act 2004 s75. The other part is the **risk-based pension protection levy**.

scheme chargeable payment

An unauthorised payment by a pension scheme other than a payment that is exempted by section 241(2) Finance Act 2004 from being a scheme chargeable payment (see list below), and a payment that the pension scheme is treated as having made and classed as a scheme chargeable payment by section 183 or 184 Finance Act 2004 because of unauthorised borrowing.

scheme designer

In relation to tax avoidance disclosure, this term refers to someone who helps design an avoidance scheme but who is not the promoter.

A scheme designer must pass any one of three tests to avoid being regarded as a promoter:

- the **benign test**
- the **non-advisor test**
- the **ignorance test**.

scheme loss

Term used in relation to **group mismatch scheme** (Corporation Tax Act 2010 s938C).

- scheme of arrangement** Proposal drawn up by an independent organisation to offer ways of repaying debts which it cannot pay under the original terms.
- scheme of reconstruction** In the context of capital gains tax “means a scheme of merger, division or other restructuring that meets the first and second, and either the third or fourth, of the following conditions” (Taxation of Capital Gains Act 1992 Sch 5AA para 1).
The four conditions relate to:
1 issue of ordinary share capital
2 equal entitlement to new shares
3 continuity of business
4 compromise or arrangement with members.
- scheme pension** A pension entitlement provided to a member of a registered pension scheme, the entitlement to which is an absolute entitlement to a lifetime pension under the scheme that cannot be reduced year on year (except in narrowly defined circumstances) and meets the conditions laid down in paragraph 2 of Schedule 28 to Finance Act 2004. Section 9 (2B) Rights derived through section 9(2B) of the Pension Schemes Act 1993.
- scheme profit** Term used in relation to **group mismatch scheme** (Corporation Tax Act 2010 s938C).
- Scheme Reconciliation Service (SRS)**
Service offered by HMRC to assist defined benefit pension schemes adjust for the end of contracting-out in April 2016. It reconciles scheme details with HMRC records, particularly to identify non-active members.
- Scheme Reference Number (SRN)**
Code assigned to a tax avoidance scheme under the **Disclosure of Tax Avoidance Scheme (DOTAS) provisions**.
An SRN is issued at the discretion of HMRC. When it has issued an SRN, the promoter of the scheme must pass the number to clients who must use the number in reporting to HMRC their use of the scheme.
- schemes for rationalising industry**
Schemes for rationalising the ship building industry and so certified by the Secretary of State. Payments to such a scheme may be deducted from profits subject to corporation tax under Income and Corporation Taxes Act 1988 s568.
- Schengen Convention**
Convention on border controls operated by some European countries.
Those with coastlines are Belgium, Denmark, Finland, Germany, Iceland, Italy, Netherlands, Norway, Portugal, Spain and Sweden. As Iceland and Norway are not EU member states, someone sailing their own craft to or from any Schengen Convention country are subject to stricter controls than for other EU states (Customs notice 8).
It is named after the Luxembourg village where the convention was first agreed.

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| schilling | Old currency of Austria. For VAT, gold investment coin issued by Austria and listed in VAT notice 701/12A. |
| schlich | Finer portions of crushed ore separated by water. |
| schlock | American slang for inferior merchandise. |
| scholarship | This may be a taxable benefit in kind when provided by an employer (Income Tax (Earnings And Pensions) Act 2003 s211). For this purpose "scholarship includes a bursary, exhibition or other similar educational endowment" (ibid s211(3)). Such scholarships have been taxable on the employee since 15 March 1983. |
| School Certificate | The main examination taken by students between 1918 and 1951 at the age of 16. Students who stayed on, usually took the Higher School Certificate two years later. The School Certificate was replaced by O-levels . |
| school company | A company which is formed by the governing body of a school under the provisions of Education Act 1996 s482 (as amended by Education Act 2002 s65). |
| school improvement partner | Person appointed by a local education school to each school to advise the head teacher and governors on how they may improve standards (Education and Inspections Act 2006 s5). |
| school-pence | Sum paid to send a child to an elementary school. An Act of 1870 limited the amount to 9d a week; in 1891 free education became available. School-pence was abolished in 1918. |
| school photograph | The VAT arrangements have been the subject of a High Court case. The photographer supplied photographs to the school which resold them to parents at a price recommended by the photographer, keeping a percentage for itself. Customs issued an assessment on the photographer on the basis that the school was acting as his agent. The tribunal allowed the photographer's appeal. On the facts of the case, the school had no authority to create a contractual relationship between the photographer and parents (<i>Customs v P L A Paget. QB [1989] STC 773</i>). |
| Schools Medical Service | Body formed in 1907 to monitor and improve the health of school children. |
| school surplus | Amount that a local authority holds on behalf of a school. On becoming an academy, it must be transferred to the governing body (Academies Act 2010 s7). |
| School Teachers' Review Body | Body established to review pay and conditions of teachers. It is established under School Teachers' Pay and Conditions Act 1991 s1, and was renamed under Education Act 2002 s119. |

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| school trip | Visit arranged by a school for its pupils. If this involves an overnight stay, there are provisions for relieving parents of the cost of such trips under Education Act 1996 s457 as amended by Education Act 2002 s200. |
| school uniform | For VAT, this may be zero-rated if within the size limits set out in VAT Notice 714. The VAT tribunal held that it was not sufficient that the uniform was intended for children under 14 (<i>Smart Alec Ltd [2001] VTD 17832</i>). |
| Science and Technology Facilities Council | Committee of United Kingdom Research and Innovation (Higher Education and Research Act 2017 s92(1)). |
| 26scientia26 est lux lucis | Latin: knowledge is enlightenment. |
| scientific equipment | <p>For VAT on charity funded equipment, "is equipment designed to perform a scientific function. This includes precision measuring equipment and analytical equipment such as thermometers, weighing machines and spectrometers.</p> <p>"Equipment that is not designed to perform a scientific function, but merely works on a scientific principle, is not scientific equipment". (VAT notice 701/6).</p> |
| scientific management | View that a precise approach should be taken to issues of work and its organisation. |
| scientific research | <p>"Any activities in the fields of natural or applied science for the extension of knowledge" (Income and Corporation Taxes Act 1988 s82B(2) and Corporation Tax Act 2009 s88(3) and Income Tax (Trading and Other Income) Act 2005 s88(3)).</p> <p>Capital allowances may be claimed under Capital Allowances Act 2001 ss437 to 452. A capital allowance has been allowed since 6 December 1962.</p> |
| scilicet (sc) | Latin: that is to say, to wit. |
| scintilla juris | Latin: a spark or fragment of a right. This relates to an old property law that could allow property to revert to a previous owner. This provision was abolished by Law of Property Amendment Act 1867 s7. |
| SCIO | Scottish charitable incorporated organisation. |
| scire facias | Latin: make [him] to know. An old form of writ. |
| scissors and paste | A text put together from parts of other texts. |
| SCL | Student of civil law. |
| sclate-stane | Scottish term for a piece of slate that the devil had 26reputedly made from money. |

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| ScLR | Scottish Law Reporter, series of law reports from 1865 to 1925. |
| SCM | (1) State certified midwife. (2) Student Christian Movement. |
| SCN | St Kitts and St Nevis. |
| SCON | Scheme contracted-out number. |
| sconce | Fine imposed at Oxford University for a breach of etiquette or petty rule. |
| scope creep | In data processing, the tendency of the scope of a computer project to be expanded during development. This tends to increase costs and delay implementation. In extreme cases (such as TAURUS for the London Stock Exchange) it can lead to the project being abandoned. |
| scorched earth | Policy of destroying one's own crops, livestock and other property to prevent them being used by an invading force. |
| score | (1) Quantity of 20. (2) Result, or to achieve a result. (3) A mark such as groove to cut a material. It was also once used for a notch on a tally stick. |
| Scorer v Olin | Alternative reading of the name of the case Olin v Scorer . |
| scoria | Dross of slag from metal smelting. |
| scot | Payment, such as for local taxation. This meaning now remains in the expression "scot free". |
| scot and lot | Old form of property rental used for local and national taxation. Scot was the tax, and lot was the portion of land allocated. |
| Scotch whisky | "Whisky which has been distilled and matured in Scotland" (Customs notice 39). |
| Scotch Whisky Association | Body with whom HMRC administers the Whisky Export Refund Scheme . |
| Scotland | Country that forms Great Britain, with England and Wales. The kingdoms were united in Union with Scotland Act 1706 that remains law. Common currency is determined by Article XVI. Three Scottish banks retain the right to issue banknotes. These are promissory notes that are not legal tender anywhere, however they are accepted at face value by the Bank of England and are widely accepted in everyday use. Scotland has a separate legal system from England and Wales. Tax law is common under laws passed since 1706, though differences in law can be relevant in legal proceedings and enforcement. The Scottish Parliament (reinstated in 1998) has the right to vary the rate of basic income tax. This |

has been amended by Scotland Acts 2012 (from 6 April 2016) and Scotland Act 2016 (from April 2017).

There are differences in the laws regarding land, insolvency, inheritances, evidence, criminal law, trusts and family law. There are very few differences in company law, tax law, social security and consumer law.

There are also many administrative differences. For example, Scottish universities do not charge university fees to Scottish residents, reducing student loan repayments.

Scotland Yard

Term used to mean the metropolitan police in general.

The word comes from the place where its headquarter were based from c1842 to 1891, when it moved to New Scotland Yard, which has itself moved.

The place name comes from its site as residence of the King of Scotland when visiting England.

Scots law

The independent system of laws and legal procedures which apply in Scotland.

Scots pint

Old unit of measure in Scotland, roughly equal to 3 English pints.

Scottish additional rate

Provision of Income Tax Act 2007 s10(4) that allowed the Scottish Parliament to vary the basic rate of income tax from 6 April 2016. The power was never used. It is replaced by new powers under Scotland Act 2016 which gives greater freedom for setting income tax rates in Scotland.

Scottish apprenticeships

“Means apprenticeships undertaken under arrangements made —
(a) in relation to Scotland, under section 2 of the Employment and Training Act 1973, or
(b) under section 2(3) of the Enterprise and New Towns (Scotland) Act 1990,
that are identified by the person making them as arrangements for the provision of apprenticeships”
(Apprenticeships, Skills, Children and Learning Act 2009 s40B(3) as inserted by Enterprise Act 2016 s26).

Scottish authority

In relation to apprenticeships, “means —
(a) the Scottish Ministers, and
(b) any body or other person that is prescribed, or of a prescribed description”
(Apprenticeships, Skills, Children and Learning Act 2009 s40B(3) as inserted by Enterprise Act 2016 s26).

Scottish banknotes

Currency notes issued by Bank of Scotland, Clydesdale Bank and Royal Bank of Scotland (RBS). These are issued under Bank Notes (Scotland) Act 1845, when there were 19 banks issuing their own notes.

These notes are legally **promissory notes**. They are not legal tender (which is not part of Scots law) but are accepted at face value by the Bank of England, and thus by clearing banks and most traders.

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| Scottish body | In relation to dealing with social security fraud, “means — (a) a local authority in Scotland, (b) a person authorised to exercise any function of such an authority relating to welfare services, (c) a person providing to a local authority in Scotland services relating to welfare services, or (d) a person prescribed or of a description prescribed by the Secretary of State” (Welfare Reform Act 2012 s131(12)). |
| Scottish basic rate | Provision of Income Tax Act 2007 s10(4) that allowed the Scottish Parliament to vary the basic rate of income tax from 6 April 2016. The power was never used. It is replaced by new powers under Scotland Act 2016 which gives greater freedom for setting income tax rates in Scotland. |
| Scottish charitable incorporated organisation (SCIO) | Form of charitable body that may be established in Scotland. It is similar to the charitable incorporated organisation in the rest of the UK. |
| Scottish Committee of the Council of Tribunals | Body abolished by Tribunals, Courts and Enforcement Act 2007 s45. |
| Scottish Consolidated Fund | Fund into which Revenue Scotland pays the tax it collects (Revenue Scotland and Tax Powers Act 2014 s5(1)). |
| Scottish Departments | Government departments which dealt with certain functions for Scotland. These were transferred to the Secretary of State for Scotland under Reorganisation of Offices (Scotland) Act 1939 s1. Some have been further devolved to the Scottish Parliament. |
| Scottish Development Agency | Body formed in 1975 to promote the economy in Scotland. In 1991 it was replaced by Scottish Enterprise . |
| Scottish Enterprise | Public body of the Scottish government that promotes economic interests in Scotland. It was formed in 1991 under Enterprise and New Towns (Scotland) Act 1990. |
| Scottish Fiscal Commission | Body that prepares forecasts and assessments in relation to taxes devolved to the Scottish Parliament. The body is created by Scottish Fiscal Commission Act 2016 s1. |
| Scottish General Anti-Avoidance Rule (SGAAR) | A general anti-avoidance rule introduced by the Scottish Parliament for devolved taxes. It is intended to be wider in scope than the UK rule. |
| Scottish higher rate | Provision of Income Tax Act 2007 s10(4) that allowed the Scottish Parliament to vary the basic rate of income tax from 6 April 2016. The power was never used. It is replaced by new powers under Scotland Act 2016 which gives greater freedom for setting income tax rates in Scotland. |

- Scottish island marine area** “Means such part of the Scottish marine area (within the meaning of Part 1 of the Marine (Scotland) Act 2010) which is —
(a) adjacent to an island, and
(b) up to 12 nautical miles from that island, measured from the low water mark of the ordinary spring tide”
(Islands (Scotland) Act 2018 s23).
- Scottish landfill tax (SLfT)** Scottish equivalent to **landfill tax** that was devolved to the Scottish Parliament from 1 April 2015.
- Scottish Legal Complaints Commission**
Body established under Legal Profession and Legal Aid (Scotland) Act 2007 s1 to hear complaints of professional conduct or unsatisfactory professional conduct by members of the legal profession in Scotland.
- Scottish legal services ombudsman**
Person employed to hear complaints about Scottish lawyers. This office is replaced by the **Scottish Legal Complaints Commission**.
- Scottish Parliamentary Standards Commissioner**
Person appointed under Scottish Parliamentary Standards Commissioner Act 2002 s1.
- Scottish partnership**
A partnership is regarded as a separate legal entity under Scots law, unlike English law.
Provisions about the income tax residence of a Scottish partnership are given in Income Tax Act 2007 s859.
- Scottish pound**
Unit of currency in Scotland until 1603.
It was of equal value to the English pound until 1355 and then lost value.
- Scottish public sector companies**
Public sector company whose registered office is in Scotland. Under Companies Act 2006 s483, Scottish ministers may require that such a company be audited by the Auditor General for Scotland.
- Scottish rate**
For income tax, “in relation to a tax year means a rate set by a Scottish rate resolution for that year” (Income Tax Act 2007 s989 as amended by Scotland Act 2016 s14(13)).
- Scottish rate of income tax (SRIT)**
The element of income tax that may be set by the Scottish Parliament from April 2016.
Under Scotland Act 2012, the UK government will set income tax rates in Scotland at 10 percentage points below the rest of the UK. The Scottish Parliament will then set the SRIT at 10% or some other percentage.
SRIT only applies to income from employment or self-employment, and to some forms of property investment income. Other forms of income, such as from savings and dividends, are subject to UK rates of income tax.

These provisions were never used. From 6 April 2017, they are replaced by greater powers introduced under Scotland Act 2016.

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| Scottish rate resolution | “Means a resolution of the Scottish Parliament under section 80C of the Scotland Act 1998” (Income Tax Act 2007 s989 as amended by Scotland Act 2016 s14(3)(c)). |
| Scottish recognised body | Term used in Charities Act 2011 s104. |
| Scottish shilling | Particular design of shilling minted from 1937, but legal tender throughout the UK. |
| Scottish social security charter | This is produced under Social Security (Scotland) Act 2018 s15. |
| Scottish social security principles | These are set out in Social Security (Scotland) Act 2018 s1. |
| Scottish social security system | This is defined in Social Security (Scotland) Act 2018 s23. |
| Scottish taxpayer | Person who is liable to pay Scottish rate of income tax from April 2016. The definition is given in Scotland Act 2012 s25. Broadly, it is someone who resided in Scotland for at least 183 days of the tax year or where Scotland is the part of the UK where they have the closest connection. |
| Scottish tax tribunals | Bodies that hear tax appeals in Scotland. They are regulated by Revenue Scotland and Tax Powers Act 2014 from s20. |
| Scottish term dates | Four dates that correspond to the English quarter days . From 13 June 1991, these dates are 28 th of February, May, August and September. The old Scottish term days were Candlemas (2 February), Whitsunday (15 May), Lammas (1 August) and Martinmas (11 November). |
| Scottish variable rate (SVR) | The original right of the Scottish parliament to vary the basic rate of income tax by adding or subtracting 3p in the pound for all residents in Scotland. This right has never been used, though it was once considered as a means of scrapping the council tax. The provision is replaced by Scottish Rate of Income Tax from April 2016. |
| Scott undertaking | Voluntary undertaking provided by Customs, and subsequently HMRC, not to use tax investigations for covert purposes. This undertaking was provided after the collapse of the Matrix Churchill case in 1992. The company was charged with illegal export of arms to Iraq, which proved to have been authorised by government ministers. Scott found that Customs had used an ostensible routine VAT visit to check on the company, and held that Customs was guilty of illegal trespass. The undertaking was removed on 6 September 2011, as announced in a ministerial statement to Parliament. Such surveillance is now undertaken |

under the provisions of legislation such as Regulation of Investigatory Powers Act 2007.

Scott Report

Report published by Sir Richard Scott in 1996 into the export of defence equipment to Iraq in the 1980s, particularly by **Matrix Churchill**. The report was highly critical of the government and its departments, noting, for example that Customs could not even find out what the Ministry of Defence's export policy was.

SCOTVEC

Scottish Vocational Education Council. It has been replaced by the Scottish Qualifications Authority.

SCP

(1) Single compliance process.

(2) Simplified Clearance Procedure, a Customs procedure under which exporters could submit an abbreviated customs pre-entry, or an approved commercial document at the time of export. Full statistical information would be provided after the goods are exported.

It is now replaced by electronic Simplified Declaration Procedure (SDP).

(3) Scheme chargeable payment, in pensions (Finance Act 2004 s158(4)).

SCR

(1) **ISO code** for Seychelles rupee.

(2) Senior common room.

scrap

Material left over from manufacturing activities, but which still has a value. A common example is metal left over from machining. It can be sold to a scrap metal dealer who melts it down for re-use.

In accounting, care must always be taken to ensure that scrap sales are accounted for as turnover. Where a scrap dealer is VAT-registered, it is common for the reverse charge method to be used.

scrape

In data processing, to use the technique of acquiring personal data from human-readable output from another program.

scrap merchant

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

| From | Percentage |
|------------------------|------------|
| 4 January 2011 | 10.5% |
| 1 January 2010 | 9.5% |
| 1 December 2008 | 8.5% |
| 1 January 2004 | 9.5% |

scrap metal

Law

Scrap metal dealing is now governed by Scrap Metal Dealers Act 2013, which replaces Scrap Metal Dealers Act 1964.

A licence is required to trade as a dealer.

It is generally an offence to pay for scrap metal in cash, or otherwise than by cheque, bank transfer, debit card or credit card (Scrap Metal Dealers Act 2013 s12). This is to deter theft of metal by ensuring that the seller can be traced.

Value added tax

VAT on scrap metal sales is often accounted for under the **reverse charge** as the dealer determines the price after identifying and weighting the metals.

scrappage

Government scheme whereby a person receives an allowance for scrapping and old car and buying a new more environmentally-friendly car. In the UK the scheme was introduced from 1 June 2009. It provided £2,000 (half from the government, half expected from the car company) discount when a person bought a brand new car and scrapped one that was at least ten years old.

A similar scheme was subsequently introduced for domestic boilers.

scrap value

The value of an asset in terms of using it for the material it contains rather than as an asset. Almost always, the scrap value is much less than the asset value.

scratch

(1) Description of a group, particularly of musicians, that have been put together for a particular purpose after which the group is disbanded.

(2) Slang term for money.

scratch card

Card made of cardboard or plastic which contains concealed information that becomes legible when a surface (usually made of a form of latex) is scratched away, often using the edge of a coin. The card must be provided with this information covered.

Its uses include topping up mobile phones and gaming. In the former, the area reveals a code which can be sent to the phone company to add credit to the telephone.

Such cards are also now used for buying software such as Microsoft Office.

Another use is for gaming. If the revealed area displays a winning combination or code, the holder is entitled to an instant prize. The first such cards were issued in 1974 by Scientific Games Corporation. The modern method was patented in the USA in 1987 by Astro-Med Inc.

Where a scratch card is offered as a promotional prize by a business, the card may be allowable as a low value business gift, provided the supplier's name is conspicuously displayed.

Whenever a scratch card, lottery ticket or similar is provided as a benefit, its taxable value is the list price that would have been charged to buy the ticket or card. Any prize won is tax-free and does not represent an additional benefit. Conversely, not winning a prize does not reduce the value of the card or ticket to zero (see Inspector's Manual at BIM45085).

screen

Visual part of a computer monitor that displays input and output.

screen saver

Picture, pattern or other form of image that appeared in early forms of computer monitor after the computer had not been used for some hours. The image was intended to prevent damage to the screen from leaving an image.

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| screen scraping | Process which allows one website to access data from other websites, such as in account aggregation . |
| screw | (1) Slang for wages. (2) Force an unfair bargain. [The word has other meanings.] |
| screwing | (1) Slang for using a strong position to drive a hard bargain. (2) Criminal slang for breaking locks to steal from shops. [The word has other meanings.] |
| scribe | Person employed to write documents. |
| scriber est 34imil | Latin: to write is to agree. |
| scrimp | Get by on a small amount of money. |
| scrimshaw | Ingenious article created to while away time, particularly on a ship. |
| scrip | Document issued to a person of evidence of ownership of a financial instrument. Examples include share certificates and savings certificates. The word originally meant a pilgrim's pouch. |
| scrip dividend | Dividend payable in the form of new shares rather than in cash. |
| scrip issue | Another name for a bonus issue . |
| scripophily | Collecting of bond and share certificates, usually as a hobby. |
| scrivener | (1) Scribe; person who drafts contracts or other documents (2) Person who lends money at interest. |
| scroll | (1) Manuscript written on a roll of paper. For VAT, a scroll is not a zero-rated book (<i>The Hall of Names Ltd [1991] VTD 8806</i>). (2) Move down pages on a computer screen. |
| Scrooge | Miserable miser. The name comes from Ebenezer Scrooge in <i>A Christmas Carol</i> written by Charles Dickens in 1843. |
| scrounge | Cadge or beg. |
| scruple | Old weight of 20 grains. There are 24 scruples to an ounce. The term is extended to mean doubt or hesitation. |
| scrutineer | Person who scrutinises, particularly of a trade union ballot under Trade Union and Labour Relations (Consolidation) Act 1992 s226B. |
| SCS | Scottish Court of Session. |

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| SCSI | Small Computer Systems Interface, This is a control system that allows communication between the computer's process and other parts such as the hard disc. |
| SCTS | Scottish Courts and Tribunal Service. |
| scudo | Old Italian silver coin. |
| scullion | Servant employed for rough work. By extension, a contemptible person. |
| sculptor | An artist, sculptor, composer or other creator of art may average profits over three years under certain conditions (Income Tax (Trading And Other Income) Act 2005s221). |
| scunge | Australian and New Zealand slang term meaning to scrounge. |
| scutage | A feudal duty levied at various times between 1100 and 1322. |
| scute | Old French coin; old term for any coin of low value. |
| scuttling | Deliberate sinking of a ship, usually your own, for such purpose as preventing it falling into enemy hands or to claim insurance. |
| SD | (1) Supplementary Declaration, another name used to describe a post-shipment declaration. Under the New Export Scheme (NES) it is an electronic message sent to the Customs Handling of Import and Export Freight (CHIEF) system to declare statistical and control information for all consignments exported under either the Local Clearance Procedure (LCP) or the SDP. (2) Abbreviation: South Dakota. |
| sd | Sine die. Latin for without a day, not having a fixed date such as to continue a meeting or a hearing. |
| SDA | Service Delivery Agreement. |
| Sdak | South Dakota. |
| SDBL | Sight draft bill of lading. |
| SDG | ISO code for Singapore dollar. |
| SDI | (1) Simplified Declaration Imports. (2) Strategic Defence Initiative. |
| SDIL | Soft drinks industry levy. |
| SDL | Share and deposit liabilities, an accounting term used for banks and other financial institutions. |

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| SDLP | Social Democratic and Labour Party , political party of Northern Ireland. |
| SDLT | Stamp duty land tax. |
| SDLTM | Prefix for HMRC stamp duty land tax manual. |
| SDMA | Stamp Duties Management Act 1891. |
| SDP | <p><i>Customs duties</i></p> <p>Simplified Declaration Procedure .</p> <p>This requires a two-stage declaration to the CHIEF system. The first stage is the provision of brief details of the consignment against which Customs clearance is given. The second stage requires the submission of a full supplementary declaration within a specified period. SDP is only available under the NES.</p> <p><i>Politics</i></p> <p>Social Democrat Party; a political party which was formed in the early 1980s and became very popular. Most of the SDP merged with the old Liberal party to form the Liberal Democrats.</p> <p><i>Other meanings</i></p> <p>Abbreviation: Sudanese pound, currency of Sudan.</p> |
| SDR | <p>(1) Special drawing rights.</p> <p>(2) Spirit Drinks Regulations 2008.</p> |
| SDRT | Stamp duty reserve tax. |
| SDSL | Symmetric Digital Subscriber Line, a computer term. |
| SDVS | Spirit Drinks Verification Scheme. |
| SDW | <p>Simplified Declaration Warehouse.</p> <p>This is a supplementary declaration submitted for goods removed from warehouse under Customs Freight Simplified Procedure (CFSP) arrangements.</p> |
| SE | <p>(1) Societas Europaea, a form of European company.</p> <p>(2) Country prefix code for Sweden.</p> <p>(3) Stock Exchange.</p> <p>(4) South East.</p> <p>(5) Society of Engineers</p> |
| sea | "Includes any estuary or arm of the sea" (Prevention of Pollution Act 1971 s29(1)). |
| SEA | Single European Authorisation. |
| SEAC | School Examination and Assessment Council. |

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| Sea Cadet Corps | Officers, adult instructors and adult warrant officers of this corps are a class of reservists (PAYE regulations SI 2003 No 2682 reg 122(2)). |
| seafarer | <p>For tax purposes, employment as a seafarer means “employment consisting of the performance of duties on a ship or of such duties and others incidental to them” (Income Tax (Earnings And Pensions) Act 2003 s40(5)).</p> <p>Where their duties are performed is explained in <i>ibid</i> s372.</p> <p>A seafarer is entitled to tax relief for periods spent outside the UK under <i>ibid</i> from s378.</p> <p>National insurance provisions for mariners are given in Social Security Contributions and Benefits Act 1992 s117.</p> |
| seafarer's earnings deduction (SED) | Right of mariners to deduct 100% from taxable earnings. |
| seal | <p><i>Mark on document</i></p> <p>Impression made on a document to indicate its authenticity or authority.</p> <p>A seal may be made by pressing a metal object such as a signet ring into soft sealing wax, or by making an impression on paper using a metal die.</p> <p>For many years, every company had to have a company seal. This was circular and bore the company name. It was used on share certificates and other documents. In practice this was a metal die operated by a lever mechanism. The seal was often impressed on an adhesive red circle with triangular edging like a starburst.</p> <p><i>Animal</i></p> <p>The import of the fur or other products of such animals is generally prohibited from 20 August 2010</p> |
| seal attestation | <p>Document issued by the state authority in which a seal has been killed.</p> <p>The certificate states that the animal was killed either:</p> <ul style="list-style-type: none">• as a traditional hunt by Intuits (Eskimos), or• as part of a national cull to maintain the animal population. <p>Such a document may be needed to import seal products through UK Customs.</p> |
| sea lawyer | Colloquialism for a person who seeks to avoid blame on grounds of trivial technological grounds. It is an allusion to the practice allegedly developed by lawyers in the American Navy. |
| sealed orders | Orders given in a sealed envelope or container, and which must not be opened until a condition is met. |
| sealed will | Will that has been granted probate by being sealed by a judge rather than being made public. Royal wills have been sealed since 1910. |
| sealing fee | A charge made by some lenders when they release their legal charge over the deeds. |

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| sealing press | <p>Office machine comprising a press with a big lever. It allows a metal die to make an impression on documents. A smaller version is known as a library press.</p> <p>Such presses were traditionally used when a company seal was required, or to indicate that stamp duty had been paid.</p> |
| sealing wax | <p>Compound which has been used for sealing letters and packages from the 16th century. It is still available though rarely used other than for ceremonial purposes. It is advisable for the seal to be covered with oil before use.</p> |
| sea-lion | <p>The import of the fur or other products of such animals is generally prohibited from 20 August 2010</p> |
| seaman | <p>Another term for a seafarer.</p> |
| SEAQ | <p>Stock Exchange Automated Quotation system.</p> <p>It is "the London Stock Exchange's non-electronically executable quotation service that allows market makers to quote prices in AIM securities (not traded on SETS or Sets) as well as a number of fixed interest securities" (London Stock Exchange website).</p> |
| search | <p>(1) Examination of a person.</p> <p>For Customs purposes, there are three types of search specified in Customs and Excise Management Act 1979 s164(5): intimate search, rub-down search and strip search.</p> <p>(2) In computing, software that finds data such as by looking for a key word in a document.</p> |
| search and rescue charity | <p>A charity whose main purpose is to conduct search and rescue operations in the UK or UK marine area, or a body whose main purpose is to develop and promote the activities of such a charity.</p> <p>The full set of conditions are set out in Value Added Tax 1994 s33D(5)-(8).</p> <p>From 1 April 2015, such a charity may claim VAT input tax relief.</p> |
| search and seizure warrant | <p>Warrant which may be issued under Proceeds of Crime Act 2002 s352.</p> |
| search engine | <p>Computer program that looks for websites according to criteria (usually key words) entered by the user. Google is the most popular search engine.</p> |
| search engine optimisation (SEO) | <p>Process of rewriting content on websites so that it appears as high as possible on a list of sites produced by a search engine.</p> |
| search (frictional) unemployment | <p>When somebody loses their job (or chooses to leave it), they will have to look for another one. If they are lucky they find one quite quickly, but they may be unlucky and it may take some time. On average it will take everybody a reasonable period of time as they search for the right job. This creates unemployment while they look. The more efficiently the job market is</p> |

matching people to jobs, the lower this form of unemployment will be. However, if there is imperfect information and people don't get to hear of jobs available that may suit them then search unemployment will be higher.

season Part of a year which has a common characteristic. Traditionally the four seasons are spring, summer, autumn and winter, each of about three months. In commerce, a season usually refers to a period which has a common characteristic, such as a summer season or Christmas season which has a particularly relevant pattern of income.

seasonal adjustment Any amendment made to an accounting figure to reflect the **season** to which it relates.

Seasonal Agricultural Workers Scheme (SAWS)

Scheme that provides a measure of exemption from national insurance for seasonal workers engaged in agriculture.

seasonal business Business whose activities vary from **season** to season, such as those businesses which particularly cater for holidays or Christmas.

seasonally adjusted Adjusted to reflect the season to which it relates. Some unemployment figures are seasonally adjusted.

seasonal pitch In the context of VAT exemption on land for seasonal caravan accommodation "is —
(a) a pitch on a holiday site other than an **employee pitch**, or
(b) a non-residential pitch on any other site
(Value Added Tax 1994 Sch 9 Group 1 Note (14) as amended by Value Added Tax (Land Exemption Order) SI 2012 No 58 with effect from 1 March 2012).

season ticket Ticket that grants permission for a period of time, such as for a week, month or season.
An interest-free or low-rate loan of up to £5,000 from an employer to buy a season ticket for work is not a taxable benefit in kind.

seat rent Another name for **pew rent**.

sea wall For capital allowances, this is specifically excluded from the scope of plant and machinery (Capital Allowances Act 2001 s22(1) List B).
Corporation tax provisions for expenditure on sea walls are given in Corporation Tax Act 2009 s254. Income tax provisions are given in Income Tax (Trading and Other Income) Act 2005 s315.
A sea wall is defined in those sections as including "other embankment necessary for the preservation or protection of the premises against any encroachment or overflowing of the sea or any tidal river".

SEC **Securities and Exchange Commission**, the US regulatory authority for stock markets.

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| sec | (1) Second (measure of time) (2) Section. (3) Secretary. (4) Dry, as a description of wine. |
| second | (1) That which ranks as number 2 in an order. (2) Unit of time equal to one sixtieth of a minute. |
| second abolition date | The date when national insurance contributions cease to qualify for a rebate for members of a defined benefit occupational pension scheme (Pension Schemes Act 1993 s7A as inserted by Pensions Act 2014 Sch 13 para 6). The date is 6 April 2016. The first abolition date was when such rebates cease to qualify in respect of defined contribution schemes. That date was 6 April 2012. |
| second adult | Adult who lives with a claimant for council tax benefit . A second adult can increase the amount of benefit. The second adult must be at least 18, count as an adult for council tax purposes, and not be someone who is jointly liable for council tax. |
| second adult rebate | Addition to council tax benefit that allows a claimant to claim an additional sum for a second adult who is not liable for council tax and does not pay rent to the claimant. |
| secondary action | Action taken by a trade union in support of a dispute in which it is not directly involved. This is generally unlawful under Trade Union and Labour Relations (Consolidation) Act 1992 s224. |
| secondary contract | A contract whose purpose is to influence the operation of another contract. In Consumer Rights Act 2015 s72 (before 1 October 2015, Unfair Contract Terms Act 1977 s23), a secondary contract is void if it seeks to negate consumer rights given by the Act in the other contract. |
| secondary contributor | Person who is liable to pay the secondary rate of class 1 national insurance (Social Security Contributions and Benefits Act 1992 s7). For employment, this is the employer. In other cases, the secondary contributor is identified by the Act or regulations. |
| secondary data | Researching information which has already been published. |
| secondary funds | In relation to the taxation of derivatives, this term is given a specific meaning in Income Tax Act 2007 s809FZP(5) as inserted by Finance Act 2016 s37. |
| secondary home | A home which is either owned or rented; and is used only occasionally. For Customs purposes, a definition is given in Customs notice 3. |
| secondary industry | Industry which uses prime materials (produced by a primary industry) to produce manufactured items. Examples of secondary industry include tiles or flour. |

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| secondary lease period | Period of a lease when only nominal payments are paid for the use of goods. |
| secondary market | Private transaction between two parties involving a trade in shares or similar securities, as against a trade on a primary market such as a recognised stock exchange. |
| secondary picketing | Picketing a place by those who do not work there but give their support to those who do and are on strike. It is now illegal. |
| secondary threshold (ST) | Threshold at which an employer becomes liable to pay class 1 national insurance in respect of a particular employee. For the years 2001/02 to 2010/11, the threshold was the same as for employees and were therefore known as the earnings threshold . |
| secondary ticket market | Market which buys and sells tickets for concerts and sporting events, particularly those which are expected to sell out or where tickets are likely to become difficult to obtain from the organisers. When not sanctioned by the organisers, this is commonly known as ticket touting. In some circumstances such touting is illegal, or the tickets sold become invalid. |
| seconded employees | For tax allowance for companies with an investment business, the provisions are set out in Corporation Tax Act 2009 s1235. |
| second half | The last six months of a particular year. The second half of a calendar year is from 1 July to 31 December. |
| second hand | Description of an item which has already been used by someone else. |
| second-hand goods | Items which have been previously owned. The Court of Justice of the European Union defined second-hand goods as "moveable tangible property that is suitable for further use as it is or after repair" (<i>Sjelle Autogenbrug I/S v Skatteministeriet</i> . [2017] All ER (D) 10 (Feb) Case C-471/15). The Court excluded certain items such as gems and works of art. This was a Danish case that held that goods benefited from a VAT scheme for second-hand goods even when sold separately. For income tax, second-hand goods may be caught by the pre-owned assets rules where a person continues to receive a benefit from an asset which has otherwise been given away. For VAT, there are special margin schemes for second-hand goods which allows VAT to be charged on the profit margin only, and not on the whole price of the goods. Details are given in VAT leaflet 718. Before 1 January 1995, such schemes could only be used for certain types of second-hand goods. |
| second home allowance | Allowance provided to a person towards the cost of a second home which is required by their work. Such an allowance is paid to Members of Parliament. In May 2009, there was a scandal about how some members exploited this allowance for their personal benefit. |

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| second land tax | A tax charged in 1405 at a rate of £1 on each £20 worth of land. |
| second mortgage | Further mortgage granted on a property which is already subject to one mortgage. |
| secondment | Arrangement where a person or asset is lent to another organisation for a defined period. The term is most commonly used when a person from one organisation works for another. |
| Second Pension Scheme | System of additional pension proposed by the Conservative party in 1974 as a replacement for graduated pension but never implemented as they lost both general elections. Eventually, the Labour government introduced SERPS in 1978 with all-party support. |
| second poll tax | Tax charged from 1513 to 17 th century. |
| second purchase price | Term used in relation to the alternative finance arrangement known as purchase and resale arrangements (Taxation of Capital Gains Act 1992 s151J). |
| second purchaser | A guarantor in a sale. |
| second quarter | The second three-month period in a particular year. The second quarter of a calendar year is the period from 1 April to 30 June. |
| second reduced rate | In Irish Republic, rate of VAT that is lower than the reduced rate. In 2017/18, when the Republic's standard rate is 23%, the reduced rate is 13.5% and the second reduced rate is 9%. It applies to horses not intended for use in foodstuffs or agricultural production. |
| seconds | (1) In retailing, goods which are not of normal saleable quality but are still good enough to be sold, usually at a lower price. (2) In gambling, cheating by dealing the second card instead of the top card. |
| second six | For barristers, the second six months of pupillage which is practising. |
| second string | Alternative choice; provision that can be pursued if original plan is discontinued. |
| second tax year | For trading, "the basis period for the second tax year in which a person carries on a trade" (Income Tax (Trading and Other Income) Act 2005 s200). The section continues with how that basis period is to be determined. |
| second unique tax | A tax of 1411 which repeated the unique tax of 1404. |
| Second World | Term, now rarely used, for Eastern Europe. |
| SECR | Streamlined energy and carbon reporting. |

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| secrecy | Withholding information for its own sake, which is neither privacy nor confidentiality. |
| sec reg | Abbreviation: <i>secundum regulam</i> , Latin for according to the rule. |
| secret | Concealed or hidden from general view. The term refers to something which is deliberately concealed. Confidentiality and privacy are forms of secrecy for which there are particular legal provisions. |
| secretaire | Cabinet that folds out to become a writing desk. |
| secretariat | Group of secretaries. |
| secretary | (1) Clerical assistant who deals with the day-to-day business or another person, usually a senior person. (2) Chief administrative officer, particularly of a non-profit-making body. |
| secretary hand | Old form of neat handwriting. |
| Secretary of State | "Means one of Her Majesty's Principal Secretaries of State" (Interpretation Act 1978 Sch 1). |
| secret reserves | Reserves which are concealed so as not to be evident from a balance sheet. A distinction is usually drawn between secret reserves and hidden reserves, where the latter are shown on the balance sheet but may not be obvious. <i>Bookkeeping and Accounts</i> by Spicer and Pegler identifies nine methods for creating secret reserves in accounts: 1 Writing down assets below their market value by excessive provision for depreciation. 2 Writing off assets altogether, although they are still of value 3 Creating excessive provisions for bad debts 4 Charging capital expenditure to revenue 5 Omitting goodwill from the accounts 6 Overstating liabilities in the balance sheet 7 Treating reserves for contingencies as provisions for specific liabilities 8 Grouping free reserves with liabilities, so as to inflate the liabilities on the balance sheet 9 Crediting exceptional or non-recurring profits direct to a contingencies reserve, and including such reserves in the liabilities on the balance sheet. It should be realised that most of these methods now contravene accounting standards. |
| secret trust | Trust created by a testator who leaves property to someone in a will for to hold for the benefit of another who is not identified in the will. A secret trust is legal. |
| section | Part of an Act of Parliament. |

- section 12 kerosene** “Means heavy oil of the description given by paragraph (c) of section 11(1) of the [Hydrocarbon Oil Duties Act 1979]” (Hydrocarbon Oil (Payment of Rebates) Regulations SI 1996 No 2313 reg 3(1)).
- section 13 pension** Pension entitlement that arises under Pensions Act 2014 s13. The term is used in Pensions Act 2014 Sch 9.
- section 13AA kerosene** “Means kerosene of the description given by sections 13AA(5) of the [Hydrocarbon Oil Duties Act 1979] for the purposes of sections 13AA and 13AB of the Act” (Hydrocarbon Oil (Payment of Rebates) Regulations SI 1996 No 2313 reg 3(1)).
- section 24 duty** Requirement for a trade union to maintain a register of its members under Trade Union and Labour Relations (Consolidation) Act 1992 s24.
- section 25 List of Schengen Acquis states**
List of member states of the European Union.
It is referred to in Immigration Act 1971 s25(7).
- section 30 disposal** Term used in Taxation of Capital Gains Act 1992 in relation to a disposal of shares where **value shifting** has taken place.
- section 32 policy** Another name for a **buyout policy** used to transfer a pension entitlement.
- section 33 refund** Refund of VAT that may be claimed by local authorities and some other public bodies under Value Added Tax Act 1994 s33.
- section 35 amount** Term used from 6 April 2013 in relation to calculating **age allowance**. This restricts the allowance by half the excess of income over this amount. The term is defined in Income Tax Act 2007 s35(2A) as inserted by Finance Act 2013 s4.
- section 35 losses** Term used in Income and Corporation Taxes Act 1988 s444AEB(4) to mean “... losses computed in accordance with life assurance trade profits provisions”. The reference is to Corporation Tax Act 2009 s35.
Before 2009, these were known as Case I losses.
- section 35 profits** Term used in Income and Corporation Taxes Act 1988 s444AEB(4) to mean “profits... computed in accordance with life assurance trade profits provisions”. The reference is to Corporation Tax Act 2009 s35.
Before 2009, these were known as Case I profits.
- section 37 application** Application to vary a local authority licence regarding the premises supervisor (Licensing Act 2003 s37).
- section 38 contribution notice** Notice sent by the **Pensions Regulator** under Pensions Act 2004 s38 where there is evidence that steps have been taken to avoid recovery of a debt owed by an employer to a final salary (or defined benefit) pension scheme.

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| section 42(7) claim | Claim made in accordance with Taxes Management Act 1970 s42(7). This section lists provisions in other Acts under which a claim may be made for tax relief. |
| section 45A allowance | First year allowance for energy-saving plant or machinery, as allowed by Capital Allowances Act 2001 s45A. |
| section 45H expenditure | “Expenditure that is first-year qualifying expenditure under [Capital Allowances Act 2001] s45H” (Capital Allowances Act 2001 s45J(6)). This relates to environmentally friendly plant. |
| section 45H allowance | Capital allowance for environmentally friendly plant or machinery, under Capital Allowances Act 2001 s45H. |
| section 45K allowance | First year allowance allowed under Capital Allowances Act 2001 s45K. |
| section 47 contribution notice | Notice issued by the Pensions Regulator under Pensions Act 2004 s47 when there has been insufficient financial support for a final salary (or defined benefit) scheme. |
| section 48 notice | Notice issued under Immigration Act 2014 s48(7) or (8) in enquiring into a suspected sham marriage. |
| section 53 scheme | Pension scheme “formerly certified under Services to Pensions Industry financial supervision arrangements” (CA 84 Stakeholders Pension Scheme Manual, published by HMRC). |
| section 61 expenses | Expenses incurred by tenants under taxed leases , as set out in Income Tax (Trading And Other Income) Act 2005s61. The term is used in <i>ibid</i> s63. |
| section 62 earnings | Earnings that come within the scope of Income Tax (Earnings And Pensions) Act 2003 s62. The expression is used in s287 of the same Act. |
| section 67 pension scheme | “A pension scheme which is established under section 67 of the Pensions Act 2008” (Finance Act 2011 s68(4)). |
| section 104 holding | Holding of shares under the terms of Taxation of Capital Gains Act 1992 s104. This regards shares of the same class in the same company as being treated as a single asset. |
| section 106 money | Amounts paid under Town and Country Planning Act 1990 s106 as a condition of receiving planning permission. The funds must be to address a matter without which the permission could not be granted, such as improved transport facility. |
| section 114 notice | Notice issued under Local Government Finance Act 1988 s114, as amended. This section requires the chief finance officer of a local authority to make a report if a council or similar body has made or is about to make a |

financial decision that is unlawful. The report must be sent to every member of the authority.

A notice is also required if the authority is about to produce an unbalanced budget.

The authority must convene a full council meeting within 21 days to consider the notice. Until that meeting has been held, the council may not agree any new spending, though it may continue with already agreed spending.

Several such notices were issued in the 1990s. Nottinghamshire County Council issued one in 2018.

section 131 rights

Inheritance rights of a **civil partner** and their children, as conferred by Civil Partnership Act 2004 s131. These rights are generally identical to those of a husband or wife. In Scotland, these rights also apply to **legitim**.

section 148

In relation to pensions, refers to Social Security Administration Act 1992 s148. This deals with revaluations of pension benefits.

section 176 allowance

For long funding leases, an allowance given in accordance with the provisions of Capital Allowances Act 2001 s176.

section 222 scheme

Employer-funded pension scheme that was approved under Income and Corporation Taxes Act 1970 s222 immediately before 6 April 1980.

The current tax position of such schemes is given in Income Tax (Earnings And Pensions) Act 2003 s395A.

section 282 resolution

Resolution made by a charity under Charities Act 2011 s282 to spend a large fund.

section 332DA expenditure condition

In relation to oil and gas companies, this term is defined in Corporation Tax Act 2010 ss332I(3).

section 332DB expenditure condition

In relation to oil and gas companies, this term is defined in Corporation Tax Act 2010 ss332I(4).

section 338 expenses

Travelling expenses that may be paid to an employee tax-free under Income Tax (Earnings And Pensions) Act 2003 s338.

section 390 scheme

Term used in relation to **disguised remuneration** (Income Tax (Earnings And Pensions) Act 2003 s554X(12).

section 615(3) scheme

Superannuation fund to which Income and Corporation Taxes Act 1988 s615(3) applies.

section 946 payment

Payment from which a bank, building society or other financial institution is or was required to deduct an amount of tax under Income Tax Act 2007 s946.

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| sectional balancing | Bookkeeping procedure of balancing part of a ledger as a step in balancing the whole ledger. Each part is balanced separately, and the total of all parts are then balanced. Such methods are not required in computerised accounting. |
| sectioning | Informal term when a person is committed to care under Mental Health Act 1983. |
| sector | Identifiable part of an economy, such as the private sector or charitable sector. |
| sectoral professions | For the purposes of EU law on recognition of qualifications, the term means the professions of doctor, nurse, dental practitioner, veterinary surgeon, midwife, pharmacist and architect, |
| secured | Description of a loan subject to a condition that the lender may take ownership of an asset if the borrower defaults on payment. A mortgage is a secure loan. |
| secured creditor | Person to whom money is owed under a secured loan. |
| secured debt | Debt, non-payment of which allows the creditor to take the debtor's property. |
| secured loan | Loan made on the basis that certain goods may be seized by the lender if not paid. A mortgage is a secured loan on a home. |
| secured pension | Either a lifetime annuity or a scheme pension. |
| securities | <p>Another name for stocks and shares but also applies to any approved or registered financial instrument, such as bonds.</p> <p>For company law, the term is defined in Companies Act 2006 s783.</p> <p>For employment income, the term is defined in Income Tax (Earnings And Pensions) Act 2003 s420.</p> <p>The tax treatment for dealers in securities is given in Corporation Tax Act 2009 from s128.</p> <p>For the accrued income scheme, a definition is given in Income Tax Act 2007 s619.</p> |
| securities account | Account which records the securities held by an individual or organisation. |
| securities acquired for less than market value | In relation to employment income, there are specific provisions in Income Tax (Earnings And Pensions) Act 2003 from s446Q. |
| Securities and Exchange Commission (SEC) | American official body which regulates the securities markets. |
| Securities and Futures Association (SFA) | A regulatory body which polices investment businesses, such as stockbrokers. |

Securities and Investments Board (SIB)

The overall regulator of financial services set up under the Financial Services Act 1986. It is now replaced by the **Financial Services Authority**.

Securities Directive

“Means Directive 2001/34/EC of 28th May 2001 on the admission of securities to official stock exchange listing and on information to be published on those securities as amended” (Importing of Savings Income Information Regulations SI 2003 No 3297 reg 2(1)).

securities disposed of for more than market value

In relation to employment income, there are tax provisions in Income Tax (Earnings And Pensions) Act 2003 from s446X.

securities house

For the purpose of derivatives, this term is defined in Corporation Tax Act 2009 s709.

Securities Institute

Professional body of securities and investment professionals formed in 1992. In 2009, it received a royal charter and is now called the **Chartered Institute for Securities and Investment (CISI)**.

It offers five classes of member: affiliate, student, associate, member and fellow. The last three may use the designatory letters ACSI, MCSI and FCSI.

securities of negligible value

Securities regarded as being of **negligible value** for purposes of capital gains tax.

securities option

In relation to employment income, “means a right to acquire securities other than a right to acquire securities which is acquired pursuant to a right or opportunity made available under arrangements the main purpose (or one of the main purposes) of which is the avoidance of tax or national insurance contributions” (Income Tax (Earnings And Pensions) Act 2003 s420(8)).

securities transactions

In relation to HMRC data-gathering powers, “means —
(a) transactions in securities,
(b) transactions under which a representative payment has been, is to be or may be made, or
(c) the making or receipt of a **representative payment**”
(Finance Act 2011 Sch 23 para 19(3)).

securitisation

Process of making something into a saleable financial product. A common example is packaging loans.

security

An asset which a borrower offers to give up to a lender should the borrower default on the loan.

For child trust funds, the term “means any loan stock or similar security of a company whether secured or unsecured” (Child Trust Funds Regulations SI 2004 No 1450 reg 2(1)(b)).

- security for payment of PAYE** This may be required under the provisions of PAYE regulations SI 2003 No 2682 from reg 97M, which is effective from 6 April 2012.
- security for VAT** VAT law allows HM Revenue & Customs to require the provision of an amount of security where it is considered that a business represents a risk to the collection of VAT.
- security deposit** Amount paid by one party to a transaction to indicate the seriousness which that party attaches to the transaction. Should the transaction not proceed, the security deposit is forfeited to the other party.
- security feature** **Company car**
Feature provided on a company car "in order to meet a threat to the employee's personal physical security which arises wholly or mainly because of the nature of the employee's employment" (Income Tax (Earnings And Pensions) Act 2003 s125A). From 6 April 2011, such a feature does not increase the list price of the car from which the employee's car benefit is calculated.
The features are:
 "(a) armour designed to protect the car's occupants from explosions or gunfire,
 (b) bullet-resistant glass,
 (c) any modifications to the car's fuel tank designed to protect the tank's contents from explosions or gunfire (including by making the tank self-sealing), and
 (d) any modification made to the car in consequence of anything which is a relevant security feature by virtue of paragraphs (a), (b) or (c)" (Income Tax (Earnings And Pensions) Act 2003 s125A(3)).
- Documents**
For documents, any characteristic of a document which is intended to make forgery difficult. Examples include threads such as stardust, holographic features, changing images, special paper, complex background designs, tactile surfaces, tactile printing, and signatures.
- security management functions** Term used in National Health Service Act 2006 s195 to describe functions to prevent and detect fraud in the NHS.
- security seal** A **trader seal** that can withstand a force of 1000 kilograms. Further details are given in Customs notice 205.
- security threat** For tax, the provision of accommodation is not a taxable benefit if provided to protect an employee from a security threat (Income Tax (Earnings And Pensions) Act 2003 s100).
The threat must be to the employee rather than to property.

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| security | Provisions taken to reduce risks, and which can therefore lead to a reduction in insurance premium. |
| SED | (1) Single European Declaration, the EU form used to declare imported goods to Customs. (2) Seafarer's earnings deduction. |
| se 50imila | Latin: in self-defence. |
| sedentary work | Work that may be done while seated, such as office work. |
| sederunt book | In Scotland, register of sequestrations. |
| sediment | Solid matter that settles from a suspension in liquid. For some beer this may produce undrinkable sediment on which beer duty may be relieved. |
| sedition | Crime of using speech or action designed to undermine the state but short of treason. |
| Sedol number | Stock Exchange Daily Official List number. This is a code allocated by the London Stock Exchange to identify a particular share or security. |
| seduce | Cajole or persuade a person to engage in improper activity, not necessarily illegal or sexual. |
| SEE | Small earnings exemption , for class 2 national insurance. |
| see | As a noun, the seat of a bishop. The word has a similar meaning to diocese. |
| seed | For VAT purposes, seeds are zero-rated if used to grow plants for human or animal consumption. Seeds for other purposes, such as flower seeds, are standard-rated. |
| SEED | (1) System for Exchange of Excise Data, an EU-wide database of Tax Warehouses and Registered Traders. (2) Scottish Executive Education Department. |
| seed | A seed may be zero-rated for VAT if used to produce plants for human consumption or as animal feeding stuff (Value Added Tax 1994 Sch 8 Group 1 Item 3). |
| seed corn | Another term for seed money . The analogy is to grain which a farmer does not sell but keeps to produce future harvests. |
| Seed Enterprise Investment Scheme (SEIS) | Tax-advantaged investment scheme for investments in newly formed businesses. The law is Income Tax Act 2007 from s257A. It complements enterprise investment scheme (EIS) while being more |

restrictive in scope but more generous in tax relief. SEIS uses many of the rules of EIS.

The main elements of the scheme are:

- relief is given for purchase of ordinary shares
- the shares must have first issued from 6 April 2012
- income tax relief is given at 50% of the cost of the shares to a maximum of annual investment of £100,000
- the shares must be held for three years or the relief is clawed back
- there is a carry-back provision where SEIS investment can be offset against income of the previous tax year, but not to before 6 April 2012
- capital gains tax is charged on only half the gain if the proceeds of an SEIS investment are reinvested in a way that also qualifies for tax relief. (This provision was originally intended to apply only in 2012/13 for the whole gain, but has been extended in scope and halved in value)
- any reinvestment of an SEIS gain must still be within the £100,000 annual limit
- capital gains tax is not charged on the disposal of shares held for at least three years
- a company that has raised funds under SEIS may raise further funds under EIS or a venture capital trust.

Help is provided by HMRC is helpsheet HS393.

seed money

A grant or contribution used to start a new project or organisation.

seeking planning permission

In relation to mineral extraction, "includes pursuing an appeal against a refusal to grant planning permission" (Capital Allowances Act 2001 s396(3)).

seesaw

Playground device where two people (usually children) sit at each end of a hinged plank and bob up and down. By extension, it describes any thing that seems to alternate in rising and falling, such as a share price.

see through

Description of a tax provision that looks beyond the structure of a transaction or relationship in determining tax liability.

An example is a **bare trust**, where the beneficiary is taxed on the trust income. Another example is a **controlled foreign company** that does not meet the conditions for avoiding UK tax. Such tax avoidance cases as **Furniss v Dawson** introduce see through provisions.

see-through register

Security feature on modern Bank of England notes.

Each side of the note has part of the £ sign printed on it. Only when held up to the light does the complete £ symbol appear.

SEF

Structured enquiry form, a method whereby payrollers may obtain answers to questions by e-mailing HMRC using its website.

sefdydliad elusennol corfforedig

Welsh: charitable incorporated organisation.

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| SEFT | South East Flexible Ticketing, a programme to provide flexibility and co-operation between public transport bodies in South East England. |
| segmental reporting | Reporting revenue, profit, cash flow assets , liabilities for each geographical and business segment within a business, identifying segments by the way the organisation is managed. |
| segmentation | (1) In investment, the option to take a proportion of the investment and leave the rest invested, such as taking 10% of a pension and leaving the other 90% invested. (2) The process of dividing a market into groups that display similar behaviour and characteristics. |
| segregation | Separation of people according to a characteristic, particularly their colour or race. Segregation is usually an offence under equality laws. |
| seignorage | The difference between the face value of a banknote or coin and the cost of producing it, which is usually much less. In the UK seignorage was introduced in 1914, before which the value of a coin was represented by its metal content, and banknotes were promissory notes for coins. Seignorage is sometimes seen as a tax. |
| SEIS | Seed Enterprise Investment Scheme. |
| seise | Old spelling of seize, which is still used in some legal contexts. |
| seisin | Possession of a freehold interest in land. Historically this arose from feudal law. |
| seisina facit stipitem | Latin: seisin makes the stock of descent. This is an obsolete rule relating to the inheritance of property. |
| seizable property | Property that may be seized under Proceeds of Criminal Justice and Police Act 2001. The term is used in sections 50 and 51. |
| seize | The term includes "copy" in Criminal Justice and Police Act 2001 s63. |
| seized money | Money that is claimed under Proceeds of Crime Act 2002 s67. For Scotland, the term is also given a specific meaning in Proceeds of Crime Act 2002 s131ZA as inserted by Criminal Finances Act 2017 s28. |
| seizure | Forcible removal of someone's property, such as when a debt or tax is outstanding and normal methods of recovery have failed. Seizure of goods by Customs is explained leaflet 12A. |
| seizure information notice | Notice sent by Customs in respect of goods seized when the owner was not present. If the owner was present, a notice of seizure is issued instead. |
| SEK | ISO code for Swedish krona. |

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| Sel Cas t King | Selected Chancery Cases, series of law reports for the period 1724 to 1733. |
| select committee | Body comprising members of Parliament who investigate, report and make recommendations in specified areas. The select committee that deals with finance is the Public Accounts Committee. |
| selective employment tax (SET) | <p>Tax charged at a flat weekly rate on employing people between 5 April 1966 to 31 March 1973. It was abolished when value added tax was introduced.</p> <p>The tax was payable for every employee for whom the employer had to pay national insurance.</p> <p>From 4 September 1967, all employers were classified in one of three groups. The first group (mainly manufacturing in development areas) had the tax refunded with a premium added. The second group (mainly food, agriculture, transport and mining) had the tax refunded without a premium. The third group comprised everyone else who paid the tax without refund.</p> <p>A lower rate was paid for women, and lower rates for boys and girls under 18. The final weekly rate, charged from 5 July 1971, was £1.20 for a man, 60p for a woman or boy, and 40p for a girl.</p> |
| self-actualisation | Highest level of Maslow's hierarchy , when a person is sufficiently motivated to achieve their goals. |
| self administered scheme | Occupational pensions scheme where the assets are invested and managed by the trustees or an in-house investment manager. |
| self-assessment | Requirement for a taxpayer to calculate the amount of tax due when submitting a personal return . Alternatively, the taxpayer may submit the return earlier to allow HMRC to calculate the tax. The general requirement is contained in Taxes Management Act 1970 s9. |
| self-assessment autocoding | Procedure whereby a person's tax code is automatically adjusted from data entered on a self-assessment tax return. This procedure was introduced from September 2011. |
| self-assessment return (SAR) | Return made by a taxpayer disclosing income received; allowances, reliefs and expenses claimed; other tax-related disclosures; and tax payable. |
| self-balancing ledger | Ledger where both individual transactions are recorded and where the total of those transactions are also recorded. The two sets of totals should always agree. Even in manuscript accounting, this procedure should not be necessary. |
| self-billing | <p>Arrangement where a customer makes out tax invoices for his or her VAT registered supplier and sends a copy to the supplier, usually with the payment.</p> <p>This arrangement is used in areas where it is the customer who knows the amount to be billed, such as for scrap metal and publishing royalties.</p> |

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| self-build | Building project where a house is constructed to a person's exact specification. |
| self-build and custom housebuilding | "Means the building or completion by — (a) individuals, (b) associations of individuals, or (c) persons working with or for individuals or associations of individuals, of houses to be occupied as homes by those individuals. (Self-build and Custom Housebuilding Act 2015 s1(A1) as inserted by Housing and Planning Act 2016 s9(1)) |
| self-certification | When a person signs a certificate about himself or herself. An example is form SC2 that may certify an employee's sickness for up to seven days. |
| self-contained unit | For council tax, a building or part of a building that has been constructed or adapted for separate living accommodation. It can include a caravan or boat. The unit should usually contain provisions for sleeping, cooking and washing. |
| self-determination | In politics, the right of every nation to determine its own affairs. |
| self-employed | Someone who works for himself. Great care must be exercised in ensuring that a person is legally within the scope of self-employment to avoid tax liabilities. See Demibourne . |
| self-employed contributions | National insurance contributions made by self-employed people. In practice these are class 2 and class 4. |
| self-employed earner | For national insurance, "means a person who is gainfully employed in Great Britain otherwise than in employed earner's employment (whether or not he is also employed in such employment)" (Social Security Contributions and Benefits Act 1992 s2(1)(b)). |
| self-financing | Description of an organisation or activity which generates enough money for its own future needs. |
| self insured scheme | A program financed entirely by the employer for insuring employees instead of purchasing coverage from an insurance company. |
| self-investment | Extent to which an occupational pension scheme may invest in the sponsoring employer. From 9 March 1992, this is generally limited to 5% of pension funds in the wake of the Maxwell pension scandal. |
| self-liquidating loan | Short-term loan secured against something that will raise the funds to pay back the loan, such as on growing crops. |
| self-loading | In relating to criminal law on a firearm, means "that it is designed or adapted (otherwise than as mentioned in section 5(1)(a)) so that it is |

automatically re-loaded" (Firearms Act 1968 s57(2A)).

self-made man

Man who has risen from poverty to prosperity by his own efforts.

self-propulsion

In relation to the VAT position for a **houseboat**, "refers to any vessel that is either:

- independently propelled, or
- not independently propelled but could be readily adapted to be capable of self-propulsion, for example by installing an engine, propeller or mast." (VAT leaflet 701/20).

self regulating organisation (SRO)

A body authorised by the Securities and Investment Board to regulate and supervise investment business or financial service activities.

self regulation

System whereby an area of activity sets up an organisation to regulate its proceedings. Most professions are subject to self regulation.

self-representation

When a person is assumed to be representing himself, and not acting as an agent for someone else.

UK law and Customs law generally assume that a person is acting on his own behalf unless he makes it expressly clear that he is acting as agent.

self-select PEP

A general PEP where you can choose which funds you'd like to invest in.

self-sequestration

In Scotland, **sequestration** proceedings started by the debtor himself.

self serve facilities

Those parts of HMRC on-line filing system that are operated by the taxpayer or agent.

self-service

Shop where customers select the goods they wish to purchase and take them to a counter for payment. Such shops started to emerge in the 1940s and became the standard method for most retailers during the 1960s.

self-sufficient

Description of a person, group or organisation which can manage without outside assistance. In the context of people from overseas, self-sufficiency means with an income above income support rates.

self-supply

Where the use of goods or services in a business, which the business itself has made or acquired.

Normally, no VAT is due as a taxable supply has not been made. The exceptions for VAT are:

- a motor manufacturer or dealer who uses a car in the business
- a car on which the trader claimed input tax (such as a hire car or driving school car) is put to another use
- using own labour to construct a non-residential building, or to increase floor size by more than 10% (VAT Notice 700).

sell

Make a transaction whereby a person or organisation provides a product or service for payment. The transaction is known as a sale.

Profits from sales are usually subject to corporation tax or income tax. A sale is usually a supply for VAT purposes if the seller is, or should be, registered.

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| seller | In relation to a transfer of stock in the course of a trade, means “the person who makes the transfer” (Corporation Tax Act 2009 s170 and Income Tax (Trading and Other Income) Act 2005 s181(2)). |
| selling plate | Horse race where the owners agree that the winners will be sold at a previously agreed price. |
| Sellotape | Trade name for a brand of clear adhesive tape. |
| sell-out | The right of shareholders to require their shares to be purchased by someone who has acquired the rights to at least 90% of the shares in a takeover bid . The relevant law is found in Companies Act 2006 from s983. The converse right to buy such shares is called a squeeze-out . |
| sell to cover | Instruction to sell shares to realise funds to meet a liability, such as to pay tax. The term is particularly used in relation to employee schemes where a charge under Income Tax (Earnings And Pensions) Act 2003 s222 could arise. |
| selon les règles | French: according to their rules. |
| semble | It appears. The term is used in law reports to indicate what appears to be a legal argument, though there is still some doubt. The word is Old French. |
| semi-fixed cost | Another term for semi-variable cost . |
| semi-trailer | Trailer without a front axle. |
| semi-variable cost | Cost which has elements of both fixed cost and variable cost . |
| semper | Latin: always. |
| semper in dubiis benigni ora praeferenda | Latin: in doubtful matters the more liberal construction should be preferred. |
| semper praesumitur pro negante | Latin: the presumption is always in favour of the negative. |
| SEN | Special educational needs. |
| Sen | Senator. |
| sen | (1) One hundredth of a riel, currency of Cambodia. (2) One hundredth of a rupiah, currency of Indonesia. (3) One hundredth of a yen, currency of Japan. (4) One hundredth of a ringgit, currency of Malaysia (5) Abbreviation: senior. |

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| SENA | Special educational needs allowance, in armed forces. |
| SEND | Special education needs and disability. |
| send | <p><i>Postal services</i></p> <p>In relation to postal services, "Where an Act authorises or requires any document to be served by post (whether the expression "serve" or the expression "give" or "send" or any other expression is used) then, unless the contrary intention appears, the service is deemed to be effected by properly addressing, pre-paying and posting a letter containing the document and, unless the contrary is proved, to have been delivered at the time at which the letter would be delivered in the ordinary course of post" (Interpretation Act 1978 s7).</p> <p><i>Computing</i></p> <p>When a message, data or similar is transmitted to another person by email or similar.</p> |
| sender | <p>In relation to electronic filing, "means —</p> <ul style="list-style-type: none">(a) in relation to a statement to which regulation 2 applies, the company making the qualifying distribution, or person acting on its behalf;(b) in relation to a statement to which regulation 3 applies, the person under the duty to furnish the certificate, or another person acting on his behalf; and(c) in relation to statement, notice, certificate or voucher to which regulation 4 applies, the person required or authorised, under the relevant provision mentioned in paragraph (2) of that regulation, to deliver that statement, notice, certificate or voucher, or another person acting on his behalf"<p>((Income and Corporation Taxes (Electronic Certificates of Deduction of Tax and Tax Credit) Regulations SI 2003 No 3143 reg 1(3)).</p> |
| sene | One hundredth of a tala, currency of Samoa. |
| Senedd | Welsh term for the National Assembly of Wales. |
| Senegal | African country. Its currency is the CFA franc of 100 centimes. The UK has agreed a double taxation convention in 2015 which is not yet in force. |
| senior | <ul style="list-style-type: none">(1) American term for a retired person.(2) Description of a sum which is payable before others. |
| senior accounting officer (SAO) | <p>"Director or officer of a company who, in the company's reasonable opinion, has overall responsibility for the company's financial arrangements" (Inspector's Manual at SAOG 24000).</p> <p>The duty to designate an SAO is only required for a company with an annual turnover above £200 million.</p> <p>The duties are set out at SAOG 12000.</p> |

The statutory authority is Finance Act 2009 Sch 46 which sets out the duties of the SAO.

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| senior capital | Capital which takes the form of secured loans to a company. It is repaid before junior capital, such as share capital, if the company is liquidated. |
| senior executive | Director or other person who holds a high position in an organisation. |
| senior holder of a share | Person who has the right to vote in respect of a jointly owned share (Companies Act 2006 s286(2)). The senior holder is the person whose name appears first on the share certificate. |
| senior manager | Person in an organisation who holds a managerial position below that of a director (or equivalent) but above junior managers. |
| senior partner | Partner who acts as the chief executive of a partnership. |
| Senior President of Tribunals | Person so appointed under Tribunals, Courts and Enforcement Act 2007 s2. |
| senior statutory auditor | The individual in an accounting firm who is so identified under either an EU standard or statutory guidelines (Companies Act 2006 s504(1)). The senior statutory auditor must sign the audit report for all audits conducted by his firm. |
| seniti | One hundredth of a pa'anga, currency of Tonga. |
| SEN obligations | Obligations imposed on schools by Education Act 1996 Part 4 Chapter 1 in relation to special educational needs . |
| Sensex | Indicator of relative prices of stocks and shares on the Mumbai Stock Exchange in Bombay, India. |
| sensitive case | Term used in HMRC Notice of 20 December 2013 about resolving tax disputes. Such a case should be referred to the Tax Disputes Resolution Board for guidance. The term is defined as a case "where a decision to resolve a dispute might have a significant and far-reaching impact on HMRC policy, strategy or operations. In consequence, they may also be likely to prompt significant national publicity". |
| sensitive data | Data, general knowledge of which could be harmful. This typically includes personal data and commercially sensitive data such as business negotiations. A practical problem is that data is not easily removed from a computer, even when deleted, and remains recoverable. Sensitive data is best handled by being kept on a separate hard disk. |
| sensitive interest | Personal interest which, if disclosed, could lead to the person being subject to violence or intimidation (Localism Act 2011 s32(1)). |

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| sensitive personal data | <p>Data about a person which is regarded as too personal to be required automatically but which an individual may be prepared to divulge in certain circumstances.</p> <p>Such data include a person's racial origin, disability, sexual orientation, criminal record, religion and political view.</p> |
| sensitive risk | <p>Term used in HMRC Notice of 20 December 2013 about resolving tax disputes. Where the risk in a case is sensitive, the case should be referred to the Tax Disputes Resolution Board for guidance.</p> <p>The term means an individual risk "where a decision to resolve a dispute might have a significant and far-reaching impact on HMRC policy, strategy or operations. In consequence, they may also be likely to prompt significant national publicity".</p> |
| sensitivity | <p><i>Management accounting</i></p> <p>In management accounting, the ratio of consequence to cause. For example if a 2% increase in price leads to a 7% drop in income, the price-income sensitivity is 3.5. Anything above 1.0 is usually regarded as highly sensitive.</p> <p><i>Human resources</i></p> <p>The characteristic of some people to react strongly to negative stimuli. Although this cannot be measured with the same accuracy as in management accounting, the meaning of the word is the same. Small variations in sensitivity may be attributed to different personalities, but high sensitivity should be seen as a personality defect.</p> |
| sensitivity analysis | <p>Analysis of the relationship between causes and effects. Such analysis usually considers small changes, such as a small variation in price or small variation in sales volume, and considers how this will impact on the business.</p> |
| sente | <p>One hundredth of a loti, currency of Lesotho.</p> |
| sentence | <p>"A punishment given by a judge in a court" (website of Crown Prosecution Service).</p> <p>For military, "sentence includes any order made by a court when dealing with an offender in respect of an offence" (Armed Forces Act 2006 s304H).</p> |
| sent for trial | <p>"Means, in relation to England and Wales, sent by a magistrates' court to the Crown Court for trial pursuant to section 51 or 51A of the Crime and Disorder Act 1998" (Interpretation Act 1978 Sch 1).</p> |
| sents | <p>One hundredth of a kroon, currency of Estonia.</p> |
| sentence | <p>Punishment imposed by a court for breach of criminal law. Courts Act 1971 s57 states that the term includes hospital orders and recommendations for deportation.</p> |

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| Sentencing Advisory Panel | Panel established under Criminal Justice Act 2003 s169 to give advice on sentences under criminal law. |
| Sentencing Guidelines Council | Council established under Criminal Justice Act 2003 s167 to provide guidelines on sentences under criminal law. |
| sentiment | <p>In economics, belief as to what is happening or will happening.</p> <p>In general, markets tend to move on sentiment rather than on reality, partly because reality is not always fully known at the time. If investors feel optimistic, they will invest in accordance with that optimism which then becomes a self-fulfilling prophecy.</p> |
| SEO | <p>(1) Senior executive officer.</p> <p>(2) Search engine optimisation.</p> |
| seoo | <p>Sauf erreur ou omission.</p> <p>French equivalent to "error and omissions excluded".</p> |
| Seoul Declaration | <p>Agreement reached in September 2006 between various tax administrations, including the UK. This agreement came from the routine meeting of the OECD's Forum on Tax Administration which meets about once every 18 months.</p> <p>The declaration pledged the participants to work together on matters of common interest, particularly regarding tax intermediaries.</p> |
| SEPA | <p>Scottish Environmental Protection Agency.</p> <p>Revenue Scotland may delegate functions to SEPA under Revenue Scotland and Tax Powers Act 2014 s4(1)(b).</p> |
| separable net assets | Assets which can be separated from other fixed assets of a business and sold separately. |
| separate charity | The Charity Commissioners have the power to regard part of an institution as being a separate charity (Charities Act 2011 s12). |
| separate enterprise principle | <p>Principle used in determining corporation tax payable by a non-resident company (Corporation Tax Act 2009 s21).</p> <p>In relation to corporation tax in Northern Ireland, the principle is given in Corporation Tax Act 2010 s357NC.</p> <p>In relation to non-resident insurance companies, "means the principle in subsection (2) of section 11AA of the Income and Corporation Taxes Act 1988 (read with subsection (3) of that section)" (Non-Resident Insurance Companies Regulations SI 2003 No 2715 reg 4(2)).</p> |
| separate exhibition trade | For the purposes of museums and galleries exhibition tax relief, this term is defined in Corporation Tax Act 2009 from s1218ZB. |
| separate film trade | For the purposes of corporation tax relief on film production, this term is defined in Corporation Tax Act 2009 s1195(5). In relation to film losses, the term is defined in Corporation Tax Act 2009 s1208(2). |

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

- separate financial statements** “Those presented by a parent in which the investments in subsidiaries, associates or jointly controlled entities are accounted for either at cost or fair value rather than on the basis of the reported results and net assets of the investees. Separate financial statements are included within the meaning of individual financial statements” (FRS 102 glossary).
- separate maintenance** **Maintenance** paid by a former partner to the other, on condition that they live apart.
- separate orchestral trade** For the purposes of orchestra tax relief from corporation tax, these provisions are set out in Corporation Tax Act 2009 from s1217QB.
- separate programme trade** In relation to television tax relief “means the company’s separate trade in relation to the relevant programme (see section 1216B)” (Corporation Tax Act 2009 s1216D(2) and s1216E(1)).
- separate theatrical trade** Provision whereby part of a business may qualify for theatrical production relief. The provisions are set out in Corporation Tax Act 2009 from s1217I.
- separate use** Words used in Value Added Tax Act 1994 Sch 8 Group 6 Item 2 Note (c) in relation to the zero-rating for approved alterations to a protected building.
The meaning of these words were considered by the Upper Tax Tribunal in the case *HMRC v Lunn [2009] UKUT 244* in relation to a building within the curtilage of a protected building. Separate use meant “separate from” other use.
- separate valuation concept** Accounting principle that assets and liabilities must be separately disclosed and not netted off.
- separate video game trade** For the purposes of video games relief, this term is defined in Corporation Tax Act 2009 s1217B(3)). For losses, the same definition is given in Corporation Tax Act 2009 s1217D(2).
- separation of legal title** When the financial recognition does not follow the legal recognition. This follows from the accounting concept of **substance over form**.
Common examples include fixed assets acquired under a **finance lease**, and goods bought or sold with **reservation of title**. The issue is discussed in FRS 5 para 48.
- separation** In marriage, living apart.
A deed of separation may be made. This typically includes clauses relating to financial arrangements, and may include provisions about non-molestation.
A decree for separation may be granted by a court under Matrimonial Causes Act 1973 s17.
An order for separation may be made by a court under Matrimonial Proceedings (Magistrates’ Court) Act 1960 s2.

A couple that is separated is still legally married, though they are generally regarded as not married for most tax purposes.

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| separation order | The equivalent of divorce in a civil partnership (Civil Partnership Act 2004 s179). |
| Sept | September. |
| September | Ninth month of the calendar year and sixth month of the financial year. It has 30 days. |
| septennium | Period of seven years. |
| septillion | 1,000 raised to the 24 th power. This is one followed by 72 zeroes. |
| sequence | <p>In mathematics, a series of numbers that follow a rule.</p> <p>An arithmetic sequence is one where each number is increased by the same amount as in 10, 13, 16, 19, 22 etc.</p> <p>A geometric sequence is where each number is multiplied by the same factor as in 3, 6, 12, 24, 48, 96 etc.</p> <p>There are other sequences, such as Fibonacci numbers.</p> |
| sequester | Seize a bank account or other assets under a sequestration (either meaning). |
| sequestration | <p>(1) Process of seizing the bank account or similar assets of a body under a court order</p> <p>(2) In Scotland, a procedure similar to bankruptcy.</p> |
| sequestration for rent | In Scotland, insolvency procedure started by a landlord. |
| sequin | Old Italian gold coin. The term now usually means a sparkle sewn on to a garment. |
| SER | <p>(1) Special Export Refund.</p> <p>(2) Small employer's relief.</p> |
| Serbia | East European country. Its currency is the Serbian dinar of 100 paras. The UK's double taxation convention with Yugoslavia of 1981 continues to apply. |
| serial access memory | Old form of computer memory that could be accessed only in a predetermined order, such as on magnetic tape. |
| serial entrepreneur | Person who keeps starting new businesses. |
| serial number | Unique code assigned to each unit of production. This allows a full investigate trail from manufacturer to end use. |
| Serial Tax Avoidance Regime (STAR) | Anti-avoidance legislation contained in Finance Act 2016 Sch 18, effective from 15 September 2016. It imposes further penalties for avoidance. |

Its main points are:

- STAR can apply to a single instance of tax avoidance
- STAR applies to all taxes including national insurance, apprenticeship levy, soft drinks industry levy and excise duties
- STAR applies in relation to any new tax avoidance scheme entered into from 15 September 2016, or entered into before then and defeated after 5 April 2017
- STAR applies to any scheme covered by general anti-abuse rule (GAAR) or disclosure of tax avoidance schemes (DOTAS)
 - within 90 days of the defeat of an avoidance scheme, HMRC may issue a warning letter to the taxpayer that additional tax-gear penalties will apply if further avoidance schemes are used within the next five years
 - during the warning period, the taxpayer is required to submit an annual information notice stating what, if any, avoidance arrangements have been used
 - if a further scheme is defeated within the warning period, a penalty will be imposed of 20% of the tax avoided for the first defeat, 40% for a second, and 60% for a third or subsequent
 - a defeat in the warning periods starts another five-year warning period
 - an arrangement is defeated when all legal procedures have been concluded and it is determined that the arrangement does not work as the taxpayer intended
 - a taxpayer who has suffered three further defeats may be publicly named, and will be restricted in relation to certain tax reliefs
 - a taxpayer may receive a warning letter if associated with a taxpayer whose avoidance scheme has been defeated. Associated means in a partnership or a group of companies
 - STAR will not apply if the taxpayer has settled the matter with HMRC before 6 April 2017.

series

Run of consecutive numbers, such as for invoices.

serif

Little mark on the edges of some letters, as explained at **sans serif**.

Serious Fraud Office (SFO)

Government department which investigates serious fraud in UK.

serious ill-health lump sum charge

"A charge to income tax, to be known as the serious ill-health lump sum charge, arises when a serious ill-health lump sum is paid by a registered pension scheme to a member who has reached the age of 75" (Finance Act 2004 s205A(1)). The charge was introduced from 6 April 2011.

The rate of tax is 45% (Finance Act 2004 s205A(4)).

serious loss of capital

When the net assets of a company are worth half or less the value of its called-up share capital.

A public company in such a situation must call a general meeting under Companies Act 2006 s656.

Serious Organised Crime Agency (SOCA)

Body corporate established under Serious Organised Crime and Police Act 2005 s1. It was replaced by the **National Crime Agency** from 7 October 2013.

SERPS

State Earnings Related Pension Scheme.

This was a form of **additional pension** which operated from 1978 to 2002 when it was replaced by the similar **state second pension**.

sertum

For VAT, **gold investment coin** issued by Bhutan and listed in VAT notice 701/12A.

SERV

Handbook Guide for service companies, produced by the Financial Services Authority.

servant

Person who works for another, such as an employee or apprentice.

servants

It is still a criminal offence for a master or mistress not to provide food, clothing or lodging for an apprentice or servant when required to do so (Offences Against the Person Act 1861 s26). A similar offence appears in Conspiracy and Protection of Property Act 1875 s6.

serve

Postal services

In relation to postal services, "Where an Act authorises or requires any document to be served by post (whether the expression "serve" or the expression "give" or "send" or any other expression is used) then, unless the contrary intention appears, the service is deemed to be effected by properly addressing, pre-paying and posting a letter containing the document and, unless the contrary is proved, to have been delivered at the time at which the letter would be delivered in the ordinary course of post" (Interpretation Act 1978 s7).

server

Computer or software package that provides a specific kind of service to client software running on other computers. An ISP's servers allow users to connect to the Internet.

server farm

Series of powerful computers linked together to provide greater power.

service

- (1) Intangible supply, such as sweeping a drive, repairing equipment or producing accounts.
- (2) Process by which documents are considered to have been legally passed to a person.
- (3) Quality of treatment a customer receives from a shop or other provider of goods or services.
- (4) Length of time an employee has worked for the employer.

service address

Address which a director of a company must give for himself in the **register of directors**. It is defined as "an address at which documents may be effectively served on that person" (Companies Act 2006 s1141(1)).

The address is either his **residential address** or the company's registered office (Companies Act 2006 s163(5)).

The company must know the residential addresses of all its directors and notify these to Companies House. However, a director may request that his residential addresses is not made public (Companies Act 2006 s1088). This provision was introduced when directors of certain animal research companies were targeted by animal rights terrorists.

Certain statutory bodies, such as the police, have the right to know the director's residential address.

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| service agreement | Contract between a service provider and customer setting out the services to be provided. |
| service bureau | Organisation whose function is to help other organisations. |
| service by post | “Where an Act authorises or requires any document to be served by post (whether the expression “serve” or the expression “give” or “send” or any other expression is used) then, unless the contrary intention appears, the service is deemed to be effected by properly addressing, pre-paying and posting a letter containing the document and, unless the contrary is proved, to have been delivered at the time at which the letter would be delivered in the ordinary course of post” (Interpretation Act 1978 s7). |
| service charge | (1) Amount added to a bill to reflect services provided, such as a charge imposed on a bank account or added to the bill in a restaurant. For VAT, this is regarded as part of the standard-rated supply of catering (VAT notice 700). (2) Amount paid by tenants for the maintenance of common parts of the building, such as cleaning, maintenance and repairs. |
| Service Civilian Court | Court other than a court martial which try military offences (Armed Forces Act 2006 s51). It comprises a single judge from outside the military. |
| service company | For pensions, a company which is formed solely or principally to provide pension services to other companies in the group (Pensions Act 2004 s44). |
| service comptabilité | French: accounts department |
| service concession arrangement | “An arrangement whereby a public sector body or a public benefit entity (the grantor) contracts with a private sector entity (the operator) to construct (or upgrade), operate and maintain infrastructure assets for a specified period of time (the concession period)” (FRS 102 glossary). |
| service contract | Contract between a company and a person who personally undertakes to provide services to that company. There are special provisions for directors' service contracts . |
| service cost centre | In management accounting, a cost centre that provides facilities to other cost centres within the organisation. |

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| service detention | Punishment of holding a military person in custody for an offence. |
| serviced plot of land | “Means a plot of land that — (a) has access to a public highway and has connections for electricity, water and waste water, or (b) can be provided with those things in specified circumstances or within a specified period” (Self-build and Custom Housebuilding Act 2015 s5 as inserted by Housing and Planning Act 2016 s9(3)). |
| service industry | Industry which does not provide tangible goods but offers services for sale. |
| service offence | Offence committed by military personnel which may be tried by court martial (Armed Forces Act 2006 s50(2)). |
| service person | “Means a person who is a member of the armed forces of the Crown or a civilian subject to service discipline (within the meaning of the Armed Forces Act 2006)” (Inheritance Tax Act 1984 s155A as inserted by Finance Act 2015 s75). For deaths from 19 March 2014, if such a person dies as a result of being targeted because of their service status, their estate is free of inheritance tax. |
| service police | Royal Navy Police, Royal Military Police or the Royal Air Force Police (Armed Forces Act 2006 s375). |
| service policy | Statement which a broadcaster must draw up under Communications Act 2003 s268 to show how it is meeting its public service remit . |
| service potential | In accounting, “the economic utility of an asset, based on the total benefit expected to be derived from use (and/or through sale) of the asset” (FRS 102 glossary). |
| service restraining order | Order which may be imposed on military personnel after a hearing of an offence (Armed Forces Act 2006 s229). |
| services | (1) Intangible supplies offered for sale. For VAT, a distinction is made between goods and services. VAT notice 700 provides further guidance with examples. (2) Help and other forms of assistance provided to businesses. (3) Utilities, such as electricity and water, provided to premises. (4) The armed services. |
| Services Directive | European Directive 2009/2999 effective from 28 December 2009. It sets out the information which service providers (including tax advisers) must provide to clients and prospective clients. In practice, most tax advisers will meet the requirement of the Directive in the engagement letter, but the Directive allows for other means of communication. The main information that must be provided is: <ul style="list-style-type: none">• name of firm• status of firm (sole practitioner, partnership, company etc) |

- contact details
- VAT number
- general terms and conditions
- details of after-service guarantee
- main features of the service to be provided
- the price
- details of professional liability held
- details of dispute resolution procedure.

The Directive also requires the service provider to deal with complaints from clients as quickly as possible and work towards a satisfactory resolution.

If a single price is not given, the provider must give details of how the price is to be calculated.

If the provider is a member of a regulated profession (and tax advice is not regulated), details of the regulatory body.

services for meeting care and support needs

“Means —

(a) services for meeting adults’ needs for care and support, and

(b) services for meeting carers’ needs for support”

(Care Act 2014 s5(7)).

service user number (SUN)

Reference number used by customers of banks who are authorised to collect payment by **direct debit**.

servitude

State of being a slave or engaged in irksome conditions.

SES

Standard Exchange System – is a variant of Outward Processing Relief (OPR), which allows duty relief to be granted on goods imported as replacements for faulty goods which have been exported from the Community for repair.

Traders may import replacements before the faulty goods are exported, if they are authorised to use SES with prior importation.

sesquicentenary

One hundred and fiftieth anniversary.

sesterce

Roman coin, originally worth 2½ asses, later worth 4 asses.

SET

(1) **Selective employment tax.**

(2) Secure electronic transaction

set

Collection of items which are designed to be sold or used together.

set against

Process of offsetting one amount against another; another term for **set off**.

set of bills

Bills of Exchange Act 1882 s71 gives provisions when bills are issued in a set.

set off

Process of using a debt owed by A to B to reduce a debt owed by B to A, or a similar arrangement.

HMRC may use this provision in England, Wales or Northern Ireland (but not Scotland) to recover tax under Finance Act 2008 s130. It cannot be used if insolvency proceedings have been started.

In relation to section 946 payments by a bank or other financial institution, there are specific provisions set out in Income Tax Act 2007 from s952.

set rate A fixed amount laid down by law, particularly for such payments as **statutory maternity pay (SMP)** or **statutory sick pay**.

A woman receives SMP at the set rate except for the first six weeks, when she receives 90% of **average earnings** provided this is greater than the set rate.

SETS Stock Exchange Electronic Trading Service.

It is the main trading system for the London Stock Exchange.

Less liquid securities are traded on **SETSqx**.

SETSqx Stock Exchange Electronic Trading Service — quotes and crosses.

Trading platform introduced by London Stock Exchange from 8 October 2007 for securities that are not sufficiently liquid to be traded on **SETS**.

setting For capital allowances, a distinction is made between **plant** and its setting. The latter does not attract a capital allowance unless the setting itself comes within the definition.

settle (1) Place a property in a **trust**. The property is placed by a **settlor** where trustees deal with it for the benefit of **beneficiaries**.

(2) Pay a debt or otherwise conclude a matter.

settled account An **account** where both the **accountable party** and the person to whom he is accountable have agreed terms which they both accept as correct.

A settled account must be in writing and signed by both parties. Settled account is a good defence against to an action for account unless it can be shown that there was error or fraud.

settled estate **Estate** that is put into a trust.

settled land Land that is limited by way of succession (Settled Land Act 1925).

An example is where land is left to A for the rest of his life, and then to B.

settled property Assets put into a trust.

For capital gains tax, the definition is “any property held in trust, other than trust to which section 60 applies” (Taxation of Capital Gains Act 1992 s68). Section 60 deals with nominees and bare trusts.

For income tax, an equivalent definition is given in Income Tax Act 2007 s466.

For inheritance tax, provisions are set out in Inheritance Tax Act 1984 from s43.

settled status Status the UK government proposes to give to EU citizens on application if they have been in the UK for five years by the end of 2020. The scheme also applies to citizens of Iceland, Liechtenstein, Norway and Switzerland but not

to the Republic of Ireland (where existing provisions continue). Those who have been in the UK for less than five years may seek permission to stay, and apply for settled status after five years.

settlement

(1) Financial arrangement where one party, the **settlor**, provides money or other assets for use by a beneficiary (which may include the settlor).

All **trusts** are settlements, but "settlement" is wider and also includes such arrangements as a joint bank account.

There is no definition for tax purposes, except one for the limited purpose of tax avoidance. This defines a settlement as "any disposition, trust, covenant, agreement, arrangement or transfer of assets" (Income Tax (Trading And Other Income) Act 2005s620(1)).

For inheritance tax, a full definition is given in Inheritance Tax Act 1984 s43(2).

(2) Payment of an account, or otherwise clearing the balance.

(3) The form of an agreement once negotiations have successfully been agreed.

settlement business assets

For entrepreneurs' relief, "means —

(a) assets consisting of (or of interests in) shares in or securities of a company, or

(b) assets (or interests in assets) used or previously used for the purposes of a business,

which are part of the settled property

(Taxation of Capital Gains Act 1992 s169J(2)).

settlement costs

The cost arising when a lump-sum payment is made to a pension scheme member in exchange for their rights to receive certain pension benefits.

settlement date

Date on which payment must be made, particularly for securities.

settlement day

(1) Day on which a purchaser of a security must pay for it.

For the **accrued income scheme**, a definition is given in Income Tax Act 2007 s674.

(2) In the USA, the day on which securities become the property of the purchaser.

settlement power

For inheritance tax, "means any power over, or exercisable (whether directly or indirectly) in relation to settled property or a settlement" (Inheritance Tax Act 1984 s47A).

settlement terms

The period which a seller allows a buyer to pay for the goods or services supplied.

This is usually expressed as a time, such as 30 days or 60 days. There are other possible settlement terms such as **net monthly account**.

settlor

Person who provides property in a trust and thereby creates the **trust**.

For capital gains tax, the term means "the person, or any of the persons, who has made, or is treated for the purposes of this Act as having made, the settlement" (Taxation of Capital Gains Act 1992 s68A(1). The section goes on

to define settled property.

For income tax, an equivalent definition is given in Income Tax Act 2007 s467.

For inheritance tax, the term "includes any person by whom the settlement was made directly or indirectly, and in particular (but without prejudice to the generality of the preceding words) includes any person who has provided funds directly or indirectly for the purpose of or in connection with the settlement or has made with any other person a reciprocal arrangement for that person to make the settlement" (Inheritance Tax Act 1984 s44(1)).

settlor-interested

Description of a trust where the **settlor** retains a benefit. In such cases, the trust income is usually taxed as being the settlor's.

For capital gains tax, the trust is taxed from 2008/09. This can create a problem in that the settlor cannot offset his own capital gains against trust losses, and vice versa.

settlor-interested settlement

For capital gains tax on a disposal of an interest in settled property, "means a settlement in which a person who is a settlor in relation to the settlement has an interest or had an interest at any time in the relevant period" (Taxation of Capital Gains Act 1992 Sch 4A para 7(4)).

settlor's threshold amount

The exception that applies to the first slice of a trust's taxable income, as set out in Income Tax Act 2007 ss491-492.

The amount is £1,000 for a single trust created by one settlor, or this figure divided by the number of trusts created by one settler (so each of four trusts has an amount of £250, for example), except that the figure is never less than £200.

seven-day money

Investment or deposit which matures or may be accessed in seven days.

seventh directive

Term commonly refers to the EC seventh directive on company law issued in 1983 relating to **consolidated accounts**. It was given effect in UK by Companies Act 1989.

severally

Description of a liability which applies individually. The term "jointly and severally" is often used in a financial transaction where there is more than one person on one side of the transaction. The expression means that the other party may claim from the people collectively or any one of the people that he chooses.

severance pay

American term for **termination payment**.

severe disablement allowance

Social security benefit that was abolished for new claimants from 6 April 2001, but is still paid to existing claimants under Social Security Contributions and Benefits Act 1992 s68. New claimants will instead be considered for **employment support allowance**.

The benefit is not subject to income tax (Income Tax (Earnings And

Pensions) Act 2003 s677).

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| severe disfigurement | This can amount to a disability (Disability Discrimination Act 1995 Sch 1 para 3). |
| severe impairment of intelligence | This can be a factor in determining eligibility for social security benefits, such as disability living allowance . The criterion is generally accepted as an IQ of 55 or less. |
| severely sight impaired | Description of a person with such limited vision that they are registered as blind. They may claim blind person's allowance against income tax and qualify for disability provisions. |
| severe mental impairment | Old term referring to a person of reduced mental capacity. This term is dropped under Mental Health Act 2007 s1(3)(a). |
| severe reprimand | Formal rebuke, particularly when given by a professional body for misconduct by a member. In this context, it is more severe than a reprimand or admonition. |
| Severn Bridge | <p>One of two bridges that cross the River Severn between England and Wales. The first was opened by the Queen on 8 September 1966. It carried what was then the M4 motorway, now M48. The second bridge was built in 1996 as part of the new section of M4 motorway. These are toll bridges.</p> <p>On 8 January 2018, the bridges returned to public ownership which means that VAT is no longer charged on the tolls.</p> |
| Sewel convention | <p>Political convention that the UK government "will not normally legislate with regard to devolved matters without the consent of the Scottish Parliament" (Scotland Act 1998 s28(8) as added by Scotland Act 2016 s2).</p> <p>It is named after Lord Sewel (1946-), a British politician.</p> |
| Sewel motion | Motion passed in the Scottish Parliament, endorsing a motion passed in the UK Parliament. |
| sewerage | <p>Definition Service of disposing of foul water.</p> <p>Value added tax Generally this supply is zero-rated for VAT for domestic premises under Value Added Tax Act 1994 Sch 8 Group 2, but standard-rated from 1 July 1990 for business premises. Further details are given in VAT notice 701/16.</p> <p>Capital allowance Part of a building (Capital Allowances Act 2001 s21(3) List A).</p> |
| sewerage licence | Licence issued under Water Industry Act 1991 s17BA as inserted by Water Act 2014 s4(1). |

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| sex | (1) Whether a person etc is male or female. (2) Colloquialism for the act of sexual intercourse. |
| sex discrimination | Treating a person less favourably because of their sex, marital status or pregnancy. This is generally outlawed under Sex Discrimination Act 1975. Note that this does not apply to pay which is governed by Equal Pay Act 1970. This only allows a woman to claim equality with a man, it does not allow a man to claim equal pay to a woman, though such a claim has now succeeded under the 1975 Act. |
| sexennial | Lasting for six years or occurring every six years. |
| sex industry | There are restrictions on the use this industry can make of Jobcentres and other government-sponsored employment assistance under Employment and Training Act 1973 s2A as inserted by Welfare Reform Act 2012 s144. |
| sextillion | One thousand raised to the seventh power or 10^{21} . |
| sextodecimo | Old paper size based on 16 pages to a sheet of paper. |
| sexual harassment | Offence of engaging in "unwanted conduct of a sexual nature" (Equality Act 2010 s26(3)). In the workplace this includes inappropriate touching, sexual comments and jokes, comments on a person's body or clothing, comments and questions about a person's sex life, showing sexual photos or videos and intruding on personal space. It has been reported that one in five women are sexually harassed in the workplace. In over half of cases, the woman did not report it. Other reports suggest the figures are higher. ACAS produced guidance on sexual harassment in June 2018. |
| sexual nature | "A production is of a sexual nature... if the performances are to include any content the nature of which is such that, ignoring financial gain, it would be reasonable to assume the content to be included solely or principally for the purpose of sexually stimulating any member of the audience (whether by verbal or other means)" (Corporation Tax Act 2009 s1217FB(3)). Such a production is excluded from theatrical productions tax relief. |
| sextuple | Six times as many or six times as much. |
| sexual orientation | Whether a person (male or female) is heterosexual or homosexual . It is generally illegal to discriminate against someone on such grounds (Equality Act 2010 s4). "Sexual orientation means a person's sexual orientation towards — (a) persons of the same sex, (b) persons of the opposite sex, or (c) persons of either sex". (Equality Act 2010 s12(1)). |

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| Seychelles rupee | Currency of the Seychelles. |
| SF | Sinn Féin , Irish political party. |
| SFA | (1) Securities and Futures Authority (now replaced by FSA). (2) Skills Funding Agency . [Neither body seems to have realised or cared that these letters also stand for Sweet Fanny Adams or Sweet F*** All, both of which mean no money when some was expected.] |
| SFAS | Statement of Financial Accounting Standards , in US accounting. |
| SFD | Simplified Frontier Declaration . |
| SFGB | Single Finance Guidance Body . |
| SFO | Serious Fraud Office . |
| SFP | Sulphur-free petrol. |
| SFr | Abbreviation: Swiss franc. |
| SFT | Securities financing transaction. |
| SG | (1) Solicitor General. (2) In relation to residence nil rate band for inheritance tax, a special guardian of a child, as defined in Inheritance Tax Act 1984 s8K(7) as inserted by Finance (No 2) Act 2015 s9. (3) Prefix for HMRC's tax manual on securities guidance. |
| SGAAP | Scottish General Anti-Avoidance Rule . |
| SGD | ISO code for Singaporean dollar. |
| sgd | Signed (by). |
| SGML | Standard Generalized Markup Language, a form of data coding for print applications. |
| SGSAROA | Prefix for HMRC's manual on strategic goods and services: assessment of risk and offence action. |
| SGSELSG | Prefix for HMRC's manual on strategic goods and services – BIS export licensing and sanctions – general |
| Sgt | Sergeant. |
| S/H | (1) Shorthand. (2) Second-hand. |

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| SHA | Strategice health authority. |
| shadow ACT | <p>Unrelieved advance corporation tax (ACT) from 6 April 1999.</p> <p>ACT was a prepayment of corporation tax. It was charged every time that a company paid a dividend. The company could deduct ACT paid from its main payment of corporation tax to a limit. Unrelieved ACT was carried forward.</p> <p>Although ACT was abolished from 6 April 1999, unrelieved ACT may continue to be offset against payments of corporation tax under rules similar to those that previously applied.</p> |
| shadow bank | Term coined for companies that borrow money just to lend to others. They were popular in the USA around 2004, and contributed to the economic crisis that soon followed. |
| shadow banking system | <p>Collective term for financial institutions that are not banks but help provide funding for businesses. They can include unit trusts and other forms of collective investment, insurance companies, investment banks, pension funds and trusts. The system grew significantly from 2000.</p> <p>As these institutions are not banks, they are not subject to the same financial regulation as banks. This was regarded as one of the factors which led to the financial crisis of 2007-2009.</p> |
| shadow cabinet | <p>Group of politicians from the opposition party comprising its leading spokesmen, copying the Cabinet of the ruling party.</p> <p>The formal name is the Official Loyal Opposition Shadow Cabinet.</p> |
| Shadow Chancellor | Term traditionally used for the member of the Shadow Cabinet who shadows Chancellor of the Exchequer. The person is appointed by the Leader of the Opposition. The position has no constitutional role and was not always used before 1980. |
| shadow director | <p>Person who acts as a director of a company even though he does not officially hold that position. Such a person usually has all the duties and liabilities of a director.</p> <p>The statutory definition is "a person in accordance with whose directions or instructions the directors of the company are accustomed to act" (Companies Act 2006 s251(1)).</p> <p>Someone is not a shadow director just because he provides advice in a professional capacity (ibid s251(2)).</p> <p>There are further legal provisions in Small Business, Enterprise and Employment Act 2015 s89, for which purpose a definition is given in s90.</p> |
| shadow running | <p>Operation of a system using dummy data as a means of testing the system.</p> <p>The UK Border Agency was shadow run with Customs for a year from 1 April 2008.</p> |
| shaft | Part of a building (Capital Allowances Act 2001 s21(3) List A). |

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| shag | Tobacco cut into shreds. [The word has other meanings.] |
| shakudo | Alloy of copper with a small amount of gold, particularly as used in Japanese decorative art. |
| shale gas | Naturally occurring gas found in large amounts in shale formations (including in the UK), and which can be a significant source of fuel in the 21 st century. It is expensive to extract. To encourage the extraction, with retrospective effect to 5 December 2013, a new onshore allowance is introduced to exempt 75% of the capital expenditure from the corporation tax supplementary charge on ring-fence profits. |
| Shale Wealth Fund | Fund announced in Autumn Statement 2015. It receives 10% of tax revenues from shale gas to apply to local areas. |
| sham | Description of something that is not genuine, particularly where an act appears to create legal rights other than those that are created. Under company law, the veil of incorporation may be lifted for a sham company. |
| sham civil partnership | Civil partnership that is arranged solely or primarily to enable one partner to reside in the UK. The term is defined in Immigration Act 2014 s55. |
| sham marriage | Marriage that is arranged solely or primarily to enable one partner to reside in the UK. The term is defined in Immigration Act 2014 s55. |
| sham transaction | Transaction which is not genuine. "It is of the essence of this type of sham transaction that the parties to a transaction intend to create one set of rights and obligations but do acts or enter into documents which they intend should give third parties, in this case the Revenue, or the court, the appearance of creating different rights and obligations" (Arden LJ in <i>Hitch's Executors v Stone [2001] STC 214. CA</i>). For VAT purposes, input tax may not be claimed for a sham transaction. It is not necessary for HMRC to show that there is any fraud. It is sufficient that HMRC provides sufficient evidence to demonstrate that the transaction is not genuine. Examples include <i>Plasma Trading Ltd v HMRC [2006]</i> and <i>Senegy (UK) Ltd [2006]</i> . |
| shand | Old criminal slang for a counterfeit coin. |
| shandy | Mixture of beer and lemonade (or other non-alcoholic sparkling drink). If the shandy's alcoholic strength is more than 1.2%, it is treated as an alcoholic drink and is subject to beer duty . |
| share | Part of something. The term is particularly used to mean a part of the ownership of a company. In company law, a share "means a share in the company's share capital" (Companies Act 2006 s540(1)). For derivatives, a definition of "shares" is given in Corporation Tax Act |

2009 s710.

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| share account | Account at a mutual building society where the depositor part-owns the society. |
| share acquisition agreement | Agreement between parties relating to the future acquisition of shares in a company. The relevant law is Companies Act 2006 ss824-828. |
| share allotment form | Another name for an allotment letter . |
| share at par | Share whose current value is the same as its nominal value . |
| share attachment | Tendency of private investors to retain shares for sentimental reasons when they should be sold. |
| share award | “An award of a number of shares of which the employee will become the owner at a future date, usually if certain conditions are met” (glossary in Inspector’s Manual at BIM 44001). |
| share-based payment | <p>In current UK accounting standard, “a transaction in which the entity —</p> <ul style="list-style-type: none">(a) receives goods or services (including employee services) as consideration for its own equity instruments (including shares or share options); or(b) receives goods or services but has no obligation to settle the transaction with the supplier; or(c) acquires goods or services by incurring liabilities to the supplier of those goods or services for amounts that are based on the price (or value) of the entity’s shares or other equity instruments of the entity or another group entity” (FRS 102 glossary). <p>The current International Accounting Standard defines it as “a transaction in which the entity receives goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of the entity’s shares or other equity instruments of the entity” (IFRS 2).</p> |
| share capital | Name given to the total amount of cash which the shareholders have contributed to the company. |
| share certificate | <p>A document providing evidence of share ownership.</p> <p>Under Companies Act 2006 s768(1), a certificate is “prima facie evidence” of ownership.</p> |
| share costs | <p>Costs in relation to a company’s share dealing and records.</p> <p>In general, costs of maintaining share registers and communicating with shareholders are allowable as tax deductions. Costs in relation to share issues are not. The matter is discussed in the Inspectors’ Manual at BIM42510.</p> |
| share coupon | Detachable portion of a share warrant by which the bearer may claim a dividend. The law is contained in Companies Act 2006 ss779-781. |

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| sharecropper | Arrangement whereby someone farms land in return for giving up a share of the crop. The term was particularly used in the USA at the end of the civil war. |
| shared car | Company car that is used by two or more employees. The tax implications are set out in Income Tax (Earnings And Pensions) Act 2003 s148. |
| share dividend | Dividend paid according to the number of shares held. |
| share disposal | Process by which a person no longer possesses shares. The three main methods are: <ul style="list-style-type: none">• transfer: the shares are sold or given by the owner to another party;• transmission: the shares change ownership on the death of the shareholder;• forfeiture: the shares are cancelled, such as for non-payment of a call. |
| shared ownership | Term used by international property companies for a form of timeshare . The main differences are that the number of participants is usually fewer (typically about five) and they collectively own the property and thus benefit from any capital gain. |
| shared lives | Scheme whereby individuals may look after adults, usually by taking the adult into the individual's home, similar to fostering of children. It was previously known as adult placement. From April 2010, the tax regime for foster carers is extended to shared lives carers (SL carers). |
| shared parental leave (SPL) | Maternity leave that may be shared with a partner. It was introduced in 2015 when it replaced additional paternity leave (APL), which was itself introduced in 2011. SPL allows a partner to share 50 weeks of maternity as they wish, including allowing them both to be off work together. Both APL and SPL have low take-up rates of below 2%. |
| Shared Society | "The shared society is one that doesn't just value our individual rights but focuses rather more on the responsibilities we have to one another. It's a society that respects the bonds that we share as a union of people and nations." (quote from prime minister Theresa May to Charity Commission on 8 January 2017). |
| shared wealth fund (SWF) | Government-backed fund to provide income to local communities from the extraction of shale gas. It was announced on 8 August 2016. |
| share exchange | Where shares in one company are exchanged for shares in another. If either company is a transparent entity , the provisions of Taxation of Capital Gains Act 1992 s140H apply. The matter was also considered as a matter of tax avoidance in <i>Ansyz v CIR. Ch D [1977] 53 TC 601</i> . |
| ShareGift | Charity that allows for the equitable disposal of small shareholdings. Suppose that a holding of £1,000 is now worth just £10. The holding is |

impossible to sell as the sum realisable is less than the dealing cost. Continuing to hold the shares creates the inconvenience for both the company and shareholder of receiving regular dividends of a few pence, where the bank charges may be greater than the dividend.

Under ShareGift, registrars waive their usual fee, so that the £10 holding is wholly assigned to the charity. It is aggregated with other small holdings in the same company to provide a significant income for charity. This arrangement provides an equitable solution for cleaning up portfolios to everyone's advantage.

A donation to ShareGift constitutes a **disposal** for the purposes of capital gains tax.

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| shareholder | Person who owns one or more shares in a company. |
| shareholder value | Total return to shareholders collectively. |
| shareholder valuer analysis (SVA) | Calculation of the value of a company according to the return it provides to shareholders. |
| shareholders | Owners of a limited liability company . |
| shareholders' equity | Another name for shareholders' funds . |
| shareholders' funds | Name given to total of share capital and reserves in a company balance sheet. |
| shareholders' funds | "The aggregate of called up share capital and all reserves, excluding minority interests" (FRS 4 para 15). |
| shareholding | The shares which a shareholder holds in a particular company. |
| share incentive plan (SIP) | <p>Tax-advantaged arrangement for employees to hold shares in their employer, introduced on 28 July 2000. They were previously known as all employee share option plans (AESOPs) or employee share plans (ESOPs) or employee share option trusts (ESOTs).</p> <p>Details of tax implications for employees are given in Income Tax (Earnings And Pensions) Act 2003 from s488.</p> <p>Details of tax implications for employers are given in Corporation Tax Act 2009 from s983.</p> <p>The position for trustees is given in Income Tax Act 2007 s488.</p> <p>Capital gains tax provisions are given in Taxation of Capital Gains Act 1992 s236A and Sch 7A.</p> |
| share loss relief | <p>Tax relief for certain loss suffered on qualifying shares, such as acquired in Enterprise Investment Scheme, which may be offset against earnings subject to income tax (Income Tax Act 2007 s131) or corporation tax (Corporation Tax Act 2010 s68).</p> <p>Capital gains tax implications are set out in Taxation of Capital Gains Act 1992 s125A.</p> |

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| share loss schemes | Tax avoidance schemes that seek to produce capital losses to offset against taxable income. The purchase pays a small amount of the share value, with the balance funded by loans. The schemes do not work and attempting to use one could be a criminal offence. Further details are given in HMRC Spotlight 15. |
| share matching rules | <p>Capital gains tax rules for determining the acquisition cost of shares or securities where the taxpayer has made more than one acquisition.</p> <p>Broadly, a disposal of shares is ranked in this order:</p> <ul style="list-style-type: none">• shares acquired on the same day,• shares acquired in the previous 30 days,• other shares. |
| share number | Number allocated to a share certificate or shareholding. It is a general requirement that shareholdings are so numbered (Companies Act 2006 s543). |
| share option | <p>Right to buy or sell shares at a future date for a fixed price.</p> <p>“A contract that gives the holder the right, but not the obligation, to subscribe to the entity’s shares at a fixed or determinable price for a specific period of time” (FRS 102 glossary).</p> <p>There are two types of share option. The traditional option is simply buying the right. A traded option is a right which is itself a saleable security.</p> <p>Share options are sometimes provided free to directors and senior managers as an incentive.</p> <p>A share option is a highly-g geared form of investment. Suppose a person pays 20p for an option to buy a share for £2 in a year’s time. If the share is then worth £1.99, the option is worth zero as it is cheaper to buy the shares on the open market. If the share is then worth £2.40, the investor makes an immediate profit of 40p per share, which is a return of 200%.</p> <p>National insurance provision is given in Social Security Contributions (Share Options) Act 2001.</p> |
| share pooling | <p>For capital gains tax, the rules that determine the acquisition cost for shares and other securities acquired at different times.</p> <p>The rules are given in Taxation of Capital Gains Act 1992 from s104.</p> |
| share premium | Amount paid by a shareholder to buy a share above its nominal value . |
| share premium account | Amount by which a company issues shares at a premium. There are various provisions in company law from Companies Act 2006 s610 onwards that relate to such accounts and restrict their use. These restrictions have applied since 1948. |
| share quoted ex dividend | Share whose price does not include the right to the next dividend. |
| shares | <p>In relation to corporation tax relief for employee share acquisitions, the term “includes —</p> <ul style="list-style-type: none">(a) an interest in shares, and(b) stock or an interest in stock” <p>(Corporation Tax Act 2009 s1003(1)).</p> |

shares accounted for as liabilities

Corporation tax provisions are set out in Corporation Tax Act 2009 from s521A.

share split

When one share is divided into several shares of smaller value to make trading in them easier.

shares requirement

Conditions which must be met by the shares to obtain tax relief for their acquisition under a scheme, particularly the requirements for **EIS relief** under Income Tax Act 2007 s173.

shares with limited rights

Certain corporation tax implications on distributions are discussed in Corporation Tax Act 2010 s170.

shares with temporary rights

Certain corporation tax implications on distributions are discussed in Corporation Tax Act 2010 s171.

Share the Joy

Government campaign launched in February 2018 to promote **shared parental leave** which has a low take-up rate.

share value

Value of a share of a company. Most shares have a **nominal value**. This is the amount for which they were originally sold. Subsequent sales are often at a higher price, where the difference is the share premium.

Ultimately the value of a share is simply the price that someone else will pay for it. For listed shares, this can be a simple matter.

For unlisted shares, the value is a matter for negotiation with HMRC.

There are some special provisions for inheritance tax.

shareware

Computer software which may be used free of charge for a trial period, after which a registration fee must be paid to be allowed to continue using it.

share warrant

Rare form of **share certificate** where ownership is vested in whoever possesses the document. The relevant law is Companies Act 2006 s779. Payment may be made by presenting a **share coupon** attached to the warrant.

Sharia

Code of conduct and law for Muslims.

In finance, Sharia excludes payment of interest which has led to the development of **Islamic finance**. This typically avoids payment of interest by replacing it with profits from co-ownership.

Tax law attempts to accommodate Sharia law in what is called **alternative finance**, where tax law aims to copy the tax treatment of the arrangement being copied. Alternative finance may be used by any taxpayer, and is not limited to Muslims.

sharing of transmission facilities

For such arrangements made by broadcasters, there are special provisions in Taxation of Capital Gains Act 1992 s267.

shark Colloquialism for someone who engages in aggressive practice that is either illegal or on the borders of the law, particularly in the area of lending money.

Sharkey v Wernher Leading tax case from the House of Lords in 1955 which held that where goods are removed from a trade for the taxpayer's personal use, the value of the goods must be their retail price and not the cost price at which the goods will usually be recorded in the accounts. This usually means that a profit margin must be added to the value for tax purposes.

The original case concerned a stud farm where five horses were removed to racing stables. Their value considerably exceeded the cost of breeding them. The matter is discussed in the Inspectors' Manual at BIM33630.

This rule is now contained in Income Tax (Trading And Other Income) Act 2005ss172A-172F, and, for companies, in Corporation Tax Act 2009 from s156.

shark hunter Term coined by the Department of Trade and Industry in 2005 to describe officers who seek to catch **loan sharks**.

Sharman Report Report published in 2012 by Lord Sharman for the Financial Reporting Council into going concern and liquidity risks for companies and auditors.

sharp practice Underhand and dishonourable dealing, that may be legal.

shearing Term used in inheritance tax when a person makes a disposition of less than the whole property, such as when a right over land is granted but the ownership is retained. The principle was established in the **Munro** case.

Shed identity A 3-letter code that provides a unique identity for a transit shed located at a Cargo Community System (CCS-UK) airport.

SHEFC Scottish Higher Education Funding Council.

Sheffield City Centre Urban Regeneration Company Ltd

Body designated as an urban regeneration company under Income and Corporation Taxes Act 1988 s79B (Urban Regeneration Companies (Tax) (Designation) Order SI 2004 No 439 para 2).

Sheffield plate Material made from silver-plated copper.

The method of fusing silver to copper was discovered by Thomas Boulsover, a Sheffield cutler, in 1742.

shekel Currency of Israel.

The term is also colloquially used for money of any currency.

The shekel was originally part of the ancient Babylonian weights (where a shekel is about 14 grams) and monetary system, adopted by the Hebrews and residents of Syria and Mesopotamia.

shelf life How long a product may safely or legally be offered for sale.

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| shelf registration | American term for a registration of a company with the Securities Exchange Commission before shares in the company are offered to the public. A shelf registration is valid for two years. |
| shelfware | Business jargon for computer software that is bought but not used. |
| shellfish | <p>For VAT, shellfish are only zero-rated if for food. VAT notice 701/15 defines this as "oysters, mussels, whelks etc".</p> <p>"Shellfish includes crustaceans and molluscs of any kind" (Diseases of Fish Act 1937 s10).</p> |
| shell out | <p>Colloquialism meaning to pay.</p> <p>The term comes from shelling peas.</p> |
| shelter | <p>Protected place. This may be a physical place, or a financial arrangement which protects funds, such as placing them overseas.</p> <p>In tax, the term can mean an arrangement that provides protection from high rates of taxation.</p> |
| sheltered accommodation | <p>Living accommodation where assistance is available on site, such as from a warden.</p> <p>There is an exemption from the national minimum wage where work and sheltered accommodation are provided as part of a programme to assist people back into normal life. The conditions for this exemption are:</p> <ul style="list-style-type: none">• the worker is at least 26 years old;• the shelter is provided as part of the rehabilitation programme;• the worker is provided with training as part of the programme. |
| sheriff | Court officer who oversees bailiffs. |
| sherry | Alcoholic drink made from blending wine with spirits. It is an exception to some of the rules regarding the blending of liquors (Alcoholic Liquor Duties Act 1979 s71(2)). |
| Shetland mapping requirement | "The Shetland mapping requirement is that, in any map of Scotland, the Shetland Islands must be displayed in a manner that accurately and proportionately represents their geographical location in relation to the rest of Scotland" (Islands (Scotland) Act 2018 s17(3)). |
| shift | Period of work, such as day shift from (say) 9am to 5pm. |
| shift key | Key on a typewriter or computer keyboard which prints letters as capitals, and gives alternative characters for other keys. |
| shilling | <p><i>United Kingdom</i></p> <p>One twentieth of a pound, now worth 5p.</p> <p>Before decimal currency was introduced in 1971, a shilling was a unit of currency divided into 12 (old) pence. The coin dates from 1504 when it was called a testoon.</p> |

Other countries

Standard unit of currency in Kenya, Somalia, Tanzania and Uganda.

shin plaster

Slang for tokens issued by rural stores instead of small change.

The name comes from the alleged practice of writing them on brittle paper that turned to dust in the buyer's pocket.

ship

For the purposes of establishing whether a taxpayer is a **seafarer**, a ship "does not include an offshore installation" (Income Tax (Earnings And Pensions) Act 2003 s40(5)(b) and s385).

For VAT, "ship includes hovercraft" (Value Added Tax 1994 s96(1)).

For VAT, supply is zero-rated under Value Added Tax Act 1994 Sch 8 if the ship weighs at least 15 tonnes, or is a lifeboat, houseboat or boat adapted for use by a disabled person. The weight is the **gross tonnage**.

Leasing of ships is an excluded activity for venture capital trust purposes under Income Tax Act 2007 s305.

Capital allowance provisions are given in Taxation of Capital Gains Act 1992 from s94.

A merchant shipping company may use **tonnage tax**.

The capital allowance provisions are given in Capital Allowances Act 2001 from s127.

There is a special provision for claiming excess allowances for ships leased overseas in Capital Allowances Act 2001 s113.

shipbuilding

This activity is excluded from eligibility for venture capital trust under Income Tax Act 2007 s307A.

This section defines shipbuilding as set out in EU Framework to State Aid on Shipbuilding 2003/C 317/06, where para 10 states: "'shipbuilding' means the building, in the Community, of self-propelled seagoing commercial vessels".

SHIP code of practice

Code for businesses which offer various **equity release** schemes.

ship leasing

Activity which excludes a company from the scope of **EIS relief**. It is defined for this purpose in Income Tax Act 2007 s194.

ship money

Tax that Charles I tried to levy from 1634 without parliamentary consent.

shipping container

Another name for a **transport container**.

ship's husband

Agent on land who represents the interests of a ship's owner.

shire

Main unit of government in Anglo-Saxon England.

shirt of Nessus

Misfortune from which one cannot escape.

In mythology, the shirt of Nessus killed Hercules.

shop

Place where the public may enter to purchase goods.

In relation to Sunday work, "shop means any premises where there is

carried on a trade or business consisting wholly or mainly of the sale of goods” (Employment Rights Act 1996 s43ZB(2)).

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| shopbot | Computer website that compares prices for the same goods from different shops. |
| shop floor | Place where workers are engaged, particularly in manufacturing and assembly. By extension, it refers to the workers collectively as members of a trade union. |
| shoplifting | Stealing goods from a shop. |
| shop steward | Representative of workers in a workplace, usually as a member of a trade union. |
| shop walker | Employee of a shop who walks round to ensure that customers are being attended to. |
| Shore, Peter | English Labour politician (1924-2001) who was Shadow Chancellor from 8 December 1980 to 31 October 1983. |
| shore power | Power supplied from the shore to a moored boat. HMRC takes the view that shore power is not sufficient in itself to establish that the boat is a main residence and exempt from CGT. |
| shortage | Lack or deficiency of a resource. |
| shortcake | For VAT, shortcake is a food and therefore zero-rated. In the case <i>North Cheshire Foods Ltd, VTD 2709</i> , the tribunal held that a small decoration in chocolate equal to about 1% of the biscuit's content was sufficient to make it “partly covered with chocolate” and therefore standard-rated. |
| short-change | Give less than the full amount of change in a cash transaction. By extension, the term also means to provide insufficient benefit or consideration. |
| short chargeable period | Period of less than one year for which the annual investment allowance may be restricted (Capital Allowances Act 2001 s51L). |
| short-dated gilts | Government security which is payable within five years. They are also known as shorts . |
| shortfall | Amount by which the actual is less than the budgeted. |
| shorthand | System of writing in which whole words and phrases are represented by marks so that it is possible to record speech at the same speed. |
| short lease | Lease which lasts for a short period, typically up to three years. In tax law, a term that applies to a funding lease where the term is either: <ul style="list-style-type: none">• less than five years; or |

- between five and seven years *and* the lease meets three further conditions (Capital Allowances Act 2001 s70 I).

These conditions are that:

- the lease is treated as a finance lease in the books of the lessor;
- the residual value of the finance lease is less than 5% of the market value of the plant at the start of the lease term: *and*
- total rentals in the first year are no lower than 90% of the rentals in the second year. and rentals in any year after the second year are no greater than 110% of those in the second year.

The third of these conditions is to exclude leases where a large payment is made on the first day for tax avoidance purposes.

short life asset

For capital allowance purposes, an asset which is plant and machinery but which is not a **long life asset**. The statutory definition is in Capital Allowances Act 2001 s83.

Broadly this is an asset that the business chooses to put outside the main pool of plant and machinery, with the consequence that a balancing allowance can be claimed for the full written down value when disposed of.

The asset must have an expected life of no more than eight years from 1 April 2011, or four years previously.

short life asset pool

For capital allowances, the balance of the **short life assets**.

The figure is calculated as that for the previous year, adjusted by acquisitions, disposals and capital allowances for the year (Capital Allowances Act 2001 s86).

short life assets provided for leasing

Tax provisions are given in Capital Allowances Act 2001 s87.

short list

Reduce list, particularly of applicants for a position.

short order

Court order giving a person limited powers to deal with the affairs of a person who lacks mental incapacity.

short payment period

For PAYE, payment for a period that is shorter than the employee's normal pay period. This is because either it relates to the employee's final pay period, or because the pay day falls on 5 April (PAYE Regulations SI 2003 No 2682 reg 25(8)).

short period driving licence

Driving licence issued to a person with a medical condition which makes a normal indefinite licence inappropriate. The period is usually one, two or three years.

short position

Situation where an investor sells short, that is he sells he does not yet own in the hope that he will be able to buy them more cheaply later.

short-range forecast

Statement of what a person expects to happen in the immediate future, typically a few months.

- short return** In tax, four-page tax return that may be used under the self-assessment system for straightforward cases. The form is issued at the discretion of HMRC. A taxpayer who is asked to complete a short return may complete the normal return, and should do so if his or her tax affairs cannot be adequately disclosed on the short return.
- short rotation coppice** Method of producing renewable fuel. It involves dense planting of willow or poplar which are cut back to ground level each year. It can also be used for elephant grass. The product is widely used as biomass.
From 29 November 1994, this is taxed as farming and not as commercial ownership of woodlands.
From 6 April 1995, land used for such purposes comes within the scope of agricultural property and may qualify for agricultural property relief from inheritance tax.
- shorts** *Clothing*
Trousers that stop above the knee.
These are zero-rated for VAT if they qualify as clothing for young children. The matter is explained in VAT Notice 714. A case concerning elasticated sports shorts was *Falcon Sportswear Ltd [1985] VTD 2019*.
Investments
Short-dated gilts, typically with a maturity of less than five years.
- short sale** Sale of goods the seller does not yet own.
- shortseller** American term for **uncovered bear**.
- short selling** Selling a security which a person does not own in the expectation of being able to buy it later at a lower price. Such a person is known as a **bear**.
The Financial Services Authority has powers to prohibit short selling under Financial Services and Markets Act 2000 s131B. The term is defined in s131C(2).
- short service benefit** Term used in relation to money purchase pension schemes. Details are given in Pension Schemes Act 1993 s71 as amended by Pensions Act 2014 s36.
- short service refund lump sum** A lump sum benefit paid to a member of an occupational pension scheme because they have stopped accruing benefits under the scheme and have less than two years of pensionable service under the scheme, and which meets the conditions of paragraph 5, Schedule 29 to the Finance Act 2004.
- short-service refund lump sum** Refund of an employee's contributions to an **occupational pension scheme** when the employee leaves before becoming entitled to any pension benefits. This usually applies when an employee leaves within one year.
Such a lump sum is taxed at 20% on amounts up to £20,000 (£10,800 before 6 April 2010) and at 50% on the excess (40% before 6 April 2010) (Finance Act 2004 s205(4)).

This is regardless of the rates of income tax the employee otherwise pays.

short service refund lump sum charge

Tax charged on **short-service refund lump sum** in accordance with the provisions of Finance Act 2004 s205.

short shrift

Process of achieving something quickly with little work.

The term originally meant the short time before execution when a condemned man was allowed to make a final confession.

short skirt

The VAT and economic implications are explained under **mini-skirt**.

short-staffed

Having insufficient staff to function efficiently.

short-term

Description of anything which relates to a short period of time.

short-term advance

From April 2013, a payment to a social security claimant who is waiting for another benefit or tax credit. It replaces **alignment payments**.

short-term annuity

An annuity contract purchased from a member's unsecured pension fund held under a money purchase arrangement that provides that member with an unsecured pension income for a term of no more than five years (not reaching to or beyond their 75th birthday), and which meets the conditions imposed through paragraph 6, Schedule 28 to the Finance Act 2004.

short-term assistance

Money or other assistance that may be provided in Scotland under Social Security (Scotland) Act 2018 s36.

short-term assurance

Life assurance policy where any pay-out is likely to be made soon after the policy was issued. The term is used in Income and Corporation Taxes Act 1988 Sch 15 para 10 which disallows from tax relief such a policy issued by a friendly society with a life of less than one year.

short-term benefit

Contributory social security benefit payable for a short period.

These are defined in Social Security Contributions and Benefits Act 1992 s20(2) as:

- (b) short-term incapacity benefit; and
- (c) maternity allowance.

Item (a) was jobseeker's allowance but was removed from the list by Jobseekers Act 1995 Sch 3.

Item (b) is repealed by Welfare Reform Act 2007 s67 from a date to be announced.

short-term capital

Capital which a business acquires for less than 12 months to fund its business activities.

short-term creditor

Person to whom money is owed that is due for payment in the next 12 months.

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| short-term debtor | Person who owes money that is due for payments in the next 12 months. |
| short-term employment | Employment for a period of three months or less (Trade Union and Labour Relations (Consolidation) Act 1992 s282). Such an employee does not have protection against redundancy. |
| short-term finance | Money lent to a business for a short period of time, usually repayable on demand and also repayable at the choice of the business if surplus to requirements. |
| short-term forecast | Same as short-range forecast . |
| short-term hiring in | Hire of a car for up to 45 days (Corporation Tax Act 2009 s58A). |
| short-term incapacity benefit | This is benefit below the higher rate is free of income tax under Income Tax (Earnings And Pensions) Act 2003 s664. The benefit is paid under Social Security Contributions and Benefits Act 1992 s30A(1). |
| short-term lease | “Means a lease whose effective duration is 50 years or less” (Corporation Tax Act 2009 s216). |
| short-term leasing | <p>Leasing of plant and machinery for a short period. Such leasing of plant and machinery to an overseas lessee avoids the restriction of capital allowances that would otherwise apply.</p> <p>Short-term leasing is defined in Capital Allowances Act 2001 s121(1) as being for either:</p> <ul style="list-style-type: none">• up to 30 consecutive days, or• no more than 90 days in any 12-month period. <p>The exemption for short-term leasing is given in Capital Allowances Act 2001 s105.</p> <p>An explanation is provided in the Inspector's Manual at CA 24100.</p> |
| short-term right to reject | A consumer's right to reject faulty goods within 30 days, as provided by Consumer Rights Act 2015 s22. |
| short-term security | Any form of security which matures within five years. |
| short ton | <p>American measure of weight equal to 2,000 pounds. The British ton is 2,240 pounds. The metric tonne is about 2,204 pounds.</p> <p>The British ton is therefore 12% heavier; the US ton is 11.72% lighter. The short ton equals 907.185 kilograms.</p> |
| shotgun wedding | Marriage which the groom has been forced to enter into, traditionally at the point of the shotgun of the bride's father when she has become pregnant. |
| shoulder | Bear the cost of. This comes from the analogy of carrying a bag over the shoulder. |

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| shoulder surfing | Practice of looking over someone's shoulder while they are using a chip and pin card to find out their PIN number. |
| shove-halfpenny | Board game in which a halfpenny, or other coin or token, is propelled along a marked board. If it lands in the appropriate place, the player receives a stated multiple of the coin or token as a prize. |
| shovelboard | Board in which coins are propelled by hand, such as in games of shove-halfpenny. |
| shovel-ready | Description of an infrastructure project (usually a large one) in which all the preliminaries and preparation have been completed and where the civil engineering work is ready to proceed. |
| shovelware | Computer slang for material copied from traditional media without appropriate adaptation for the computer medium. |
| shove the queer | Old slang term meaning to pass forged currency. |
| showcasing | Arrangement whereby someone in the arts arranges an exhibition, concert or similar production to demonstrate his or her talent. Provided this has a genuine commercial nature, the loss is tax-deductible as revenue. A leading case was <i>Lunt v Wellesly [1945] 27TC78</i> . The matter is discussed in the Inspectors' Manual at BIM37785. |
| shower | 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. |
| show of hands | Vote taken by those present raising their hands. Under company law, a resolution may be passed on a show of hands under Companies Act 2006 s284(2). Each voting member casts one vote regardless of their shareholding. Members may require a written vote by ballot, in which each member casts votes in proportion to their shareholding. |
| showroom tax | Term coined in 2008 for the increased vehicle excise duty payable for the first year for new large cars with high carbon dioxide emissions. |
| show trial | Corrupt form of trial which is held to expose the accused to opprobrium rather than to determine the matter justly. |
| SHP | (1) Stakeholder pension. (2) ISO code for Saint Helena pound. |
| ShPP | Shared parental pay. |

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| shrapnel | Pieces of metal produced by the explosion of munitions. By extension, the word can be colloquially used to mean loose coins. |
| SHRC | Scottish Human Rights Centre. |
| shredder | Machine that shreds paper documents into pieces to make them impossible to read. |
| shrieval | Old word that means pertaining to a sheriff. |
| shrinkage | Amount by which something reduces in size. The term is particularly used for loss of stock through shoplifting and staff theft. |
| shrinkflation | Price rises in consumer goods that are effected by reducing the size of the product while leaving the price unchanged. The term was coined in 2017. |
| shroff | Far Eastern money lender. |
| shroud | For VAT, this is exempt if provided as part of a funeral service. Further details are given in VAT notice 701/32. |
| shrove | To go round the streets singing for money. |
| Shrove Tuesday | Day before Ash Wednesday . |
| shun-pike | American slang for a side road used to avoid a toll. |
| shutdown | (1) Temporary closure of a factory or other plant. (2) Reduction of power output, such as for safety reasons at a nuclear power station. |
| shutter | Part of a building (Capital Allowances Act 2001 s21(3) List A). |
| shuttle mediation | Form of mediation where the parties are not together. The mediator meets them separately and relays their views to each other. Such a process is slow and rarely used, but may be necessary if the parties cannot or will not be brought together. |
| shy | Although this word is most commonly used to describe coyness, it is still used to mean lacking in amount, such as in "shy by". |
| Shylock | Grasping money-lender, from the character in <i>Merchant of Venice</i> by Shakespeare. |
| shyster | Unscrupulous or disreputable lawyer or other professional person. |
| SI | (1) Statutory Instrument , secondary legislation, made by ministers under powers granted to them in an Act of Parliament. (2) Country prefix code for Slovenia. (3) Système International d'Unités . International system of metric units of |

measure.
(4) South Island, of New Zealand.

SI\$ Abbreviation: Solomon Islands dollar.

SIB **Securities and Investments Board.**

sibling Brother or sister.

SIC Prefix for official interpretations of International Accounting Standards before May 2004. Those issued since are prefixed IFRIC.
The oldest extant SIC is SIC 7 on the introduction of the euro, issued in 1998.

sic Latin: thus.
Indication in a text that it is reproduced correctly, such as when it contains a grammatical or other error.

sic bo Chinese dice game.
From 23 April 2002, this game is specifically added to the list in Betting and Gaming Duties Act 1981 s13(3) as coming within the scope of **gaming licence duty**.

sick club Scheme run by many doctors in general practice from around 1858 to 1948. Members paid a subscription, originally sixpence a week, to cover the cost of any medical treatment.

sickness and accident Description of an insurance policy which pays a benefit to a beneficiary who is unable to work through sickness or accident. Normally pays out for a set period, i.e. one or two years.

sickness benefit Social security benefit payable to those who are sick and not eligible for **statutory sick pay**. It was introduced on 5 July 1948 in its present form at a rate of £1 6s (£1.30) a week for a man.
Before 5 October 1986 there were half and three-quarters rates for claimants with insufficient national insurance to claim the full rate.

sickness benefits-related voucher Expression used in Income Tax (Earnings And Pensions) Act 2003 s76, which states how such a voucher should be taxed as a benefit in kind.

sickness payment For national insurance, "any payment made in respect of absence from work due to incapacity for work" (Social Security Contributions and Benefits Act 1992 s4(3)).

sick pay Payment of normal or reduced wages while an employee is sick.

sic utere tuo et alienum non laedas Latin: so use your own property as not to injure your neighbour's.

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| SID | Senior independent director. |
| sideways loss relief | <p>When a loss from one trading activity may be offset against the profits of another trading activity <i>in the same accounting period</i>. It should be noted that this relief cannot be carried forward or back to other periods. It must be claimed within two years of the end of the loss-making accounting period.</p> <p>For companies, this relief is given by Corporation Tax Act 2010 s37. For individuals, it is given by Income Tax Act 2007 s75.</p> <p>From 2 March 2007, there are restrictions on the ability to offset such losses from a partnership or limited liability partnership, particularly when the partner has not been actively involved in the management of the partnership.</p> |
| sideways relief | Another name for sideways loss relief . |
| siemens | Unit of electrical conductance. |
| Sierra Leone | East African country. Its currency is the leone of 100 cents. The UK has a double taxation agreement of 1947 amended by a protocol of 1968. |
| 92sievert | Unit of radiation equal to one joule per kilogram. |
| SIFA | Part of the Financial Conduct Authority's Handbook Guide entitled <i>Using the FCA handbook: an Overview for Small IFA firms</i> . |
| sight deposit | Funds in a bank which may be withdrawn immediately. |
| sight draft | Bill of exchange which is payable when presented. |
| sight impaired | Person who has such poor sight that they may be registered as blind, even though they are partially sighted. |
| Sightsavers | International non-governmental organisation that works to treat and prevent avoidable blindness in developing countries. It was founded in 1950 as the British Empire Society for the Blind. |
| sigil | Sign such as from a signet. |
| sigma | <p>The Greek letter denoted by the symbol Σ.</p> <p>In mathematics this is used to denote the sum of a series of a digits. So $\Sigma 4$ equals 10, namely $1 + 2 + 3 + 4$.</p> |
| sign | <p>Writing</p> <p>Write one's name as a signature to authorise or assent to a document.</p> <p>Every tax return must be signed, though supporting accounts need not be.</p> <p>Trade name</p> <p>Display of a business name such as on premises.</p> <p>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</p> |

means that its eligibility for capital allowance depends on the nature and purpose of the item.

signatory

Person authorised to sign documents for an organisation.

signature

Stylised form of a person writing his or her name to indicate that that person authorises the document. It is not a requirement that the signature be legible, though legible signatures are often seen as more difficult to forge.

It is a requirement that a tax return on paper must be hand signed by the taxpayer (Taxes Management Act 1970 8(2)).

Where a taxpayer cannot act for his or her own benefit, an attorney may sign the forms under statement of practice A13 of 18 June 1979.

An attorney may also claim tax on building society interest for taxpayers unable to act for themselves (Tax Bulletin TB04/96-5 of 22 April 1996).

For bills of exchange, "where, by this Act, any instrument or writing is required to be signed by any person, it is not necessary that he should sign it with his own hand, but it is sufficient if his signature is written thereon by some other person by or under his authority" (Bills of Exchange Act 1882 s91).

signed accounts

There is no requirement for business accounts submitted with a tax return to be signed.

HMRC lost a case where they imposed a penalty for late submission because the accounts were returned for signature (*Codu Computer Ltd [2011] TC 1055*).

signet

Small seal, such as may be found on a ring, for making an impression in wax.

signet ring

Ring worn on the finger which bore an impression identifying the wearer. This could be pressed into soft **sealing wax** to indicate that the document had the authority of the wearer.

significant

This word is used in various accounting contexts, such as in FRS 5 (now repealed) on reporting the substance of financial transactions. In this context, whether an asset or liability remains **recognised** depends on whether there have been any "significant" changes. Para 25 says "'significant' should be judged in relation to those benefits and risks that are likely to occur in practice, and not in relation to the total possible benefits and risks". A similar definition appears in para 75.

significant accounting transaction

For the purpose of dormant companies, "means a transaction that is required by section 386 to be entered in the company's accounting records" (Companies Act 2006 s1169(2)).

significant decision

For the purposes of data protection, a decision is so described "if, in relation to a data subject, it —

(a) produces legal effects concerning the data subject, or

(b) similarly significantly affects the data subject"

(Data Protection Act 2018 s14(2)).

Section 14(3) goes on to define **qualifying significant decision**.

- significant difference** In statistics, a difference which indicates a relationship between results. This is usually regarded as being around 20%.
If a test to see if there was any correlation between A and B showed average results of 1.03 with B and 1.07 without B, there is no significant difference, as such a difference could just be down to statistical sampling. If the results were 1.03 and 1.27, there is an indication that there probably is some significant difference. This leads on to considerations of **causation**.
- significant equity stake investment** In relation to taxation of derivatives, this term is given a specific meaning in Income Tax Act 2007 s809FZL(3) and (6) as inserted by Finance Act 2016 s37.
- significantly below cost** Term used in VAT notice 701/1 in relation to supply of **welfare services**.
These are treated as being not a business supply if significantly below cost, which means for no more than 85% of the cost to the welfare service provider.
- significant influence** *Accounting for associates*
In relation to accounting for associates, "significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies" (FRS 102 glossary).
Taxation of LLP members
Term used to determine whether a member of a limited liability partnership (LLP) should be taxed under PAYE. Guidance on exactly what this means is given in an HMRC Technical Note of 10 December 2013.
- significant pain or discomfort** Term used in VAT notice 701/2 in relation to the supply of **welfare services**.
If a person cannot perform **routine domestic tasks** without significant pain or discomfort, an organisation performing such tasks for such a person may be providing a zero-rated supply.
- significant people function (SPF)**
Under the controlled foreign companies regulations from 2012, one of the three conditions that must be met for overseas profits to come within the scope of UK tax.
The other two conditions are that:
• the separation of assets or risks from activity does not give rise to substantial non-tax value which is that part of the value of a project which is not derived from saving tax. HMRC expects the non-tax value to be at least 20% of the total to be regarded as substantial,
• the arrangement which creates this separation would not be entered into by independent companies.
- significant tax dispute** Term used by HMRC in two Notes that it issued on 27 and 28 February 2012. The former relates to transparency and the latter to management of the dispute.

The term is not formally defined in either Note, though the former refers to disputes involving at least £100 million in tax.

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| signing-on fee | Fee paid to someone, particularly a sportsman, to join an organisation. The tax treatment of such fees is discussed in the inspectors' manual at EIM00700 and EIM00710. In most cases, a signing-on fee is now regarded as taxable as employment income. |
| Signor | Italian form of address that corresponds to Mr. |
| sign-up | A term used for the process of signing up for VAT Online Services by obtaining and using a Government Gateway user ID. |
| Sikes hydrometer | Device used by Customs to test spirits from 19 th century. It was finally taken out of use in 1979. |
| silage | Any green crop, such as grass or clover, that is harvested and fermented for use as animal fodder. |
| silent auction | Auction in which bidders write their bids on a form rather than call them out. |
| silk | Common term for a barrister who is a Queen's Counsel . Such barristers wear silk gowns. |
| Silk v Fletcher | Leading tax case relating to the allowability of interest paid. Its full citation is <i>Silk v Fletcher SPC 201, SPC 262</i> . The case is discussed in the Inspector's Manual at BIM45725. |
| silo | Chamber or pit that is airtight used for storing grain or similar. A silo can qualify as plant for the purposes of capital allowances. |
| silver | Precious metal which has the atomic symbol Ag. It is widely used for jewellery and has been used to make silver coins . |
| silver ceiling | Business jargon for an unofficial limit to promotion for older employees. |
| silver coins | Silver has been used as a means of exchange from early days. Until 1920, British coins were minted from sterling silver , where 925 parts are silver and only 75 base metal. In 1920, the ratio was reduced to 500:500. From 1947, "silver coins" are minted from cupro-nickel except for Maundy money . From 2012, they are made of cupro-nickel coated stainless steel. |
| silver plate tax | Excise duty charged on silver plate between 1756 and 1776. |
| silver threepence | Small silver coin minted between 1547 and 1937 worth three old pence (1¼p). It was traditionally put in Christmas puddings. They are still minted as part of Maundy money . The coin is still legal tender for 3p. |

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| silverware tax | Excise duty on the manufacture of silver goods, charged between 1720 and 1758, and again from 1784 to 1790. |
| Sim | Simon's Reports, law reports of Chancery from 1826 to 1852. |
| simalcrum | Sham arrangement. |
| SIM card | Small electronic card that stores data and can be put into a mobile phone or similar device. The letters stand for Subscriber Identification Module. |
| similiter | Latin: in like manner. |
| 96similor | Yellow metal alloy used for inexpensive jewellery. |
| SIMM | Single in-line memory module. |
| Simon, John | English Liberal politician (1873-1954) who was Chancellor of the Exchequer from 28 May 1937 to 10 May 1940 under the coalition government of Neville Chamberlain. He subsequently became Lord Chancellor. As a judge, he edited the early editions of what became Simon's Taxes. |
| simony | Offence of buying or selling an ecclesiastical benefice. The term is named after Simon Magus in Acts 8 of the Bible. |
| simple assessment | <p>Assessment raised by HMRC on the basis of what HMRC knows about the taxpayer. The taxpayer may pay the assessment or may appeal within 60 days.</p> <p>A simple assessment is issued on form P800 or PA 302. The latter is a simple assessment letter.</p> <p>The law is contained in Finance Act 2016 s167, effective from 6 April 2017. The first simple assessments were issued on 22 September 2017.</p> |
| simple average cost | The average value of a unit of stock, calculated as the average price paid during the accounting period. This method is usually not used in preference to First In First Out. |
| simple contract | Contract made other than under seal, but which is a formal contract . |
| simple contract debt | Debt arising from a simple contract . |
| simple interest | <p>Where interest is charged on the principal but not on any interest already applied, as with compound interest.</p> <p>If simple interest of 10% is charged on capital on £100, the interest is £10 in year 1, £10 in year 2, and £10 in every subsequent year.</p> <p>For compound interest, the interest is still £10 in year 1. But in year 2, the balance is now £110, so the interest is £11. In year 3, it is £12.10. The sum keeps increasing in future years.</p> |
| simple journal entry | Journal entry that involves just one debit entry and one credit. |

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| simple lottery | Form of lottery where all the prizes are awarded by chance (Gambling Act 2005 s14(2)). This covers most forms of raffle and tombola, as well as the National Lottery . |
| simple trust | Trust created simply by passing property to trustee. |
| simplex | Figure with the minimum number of vertices for space of a particular number of dimensions. This can be used for some forms of management mathematics. |
| simpliciter | Latin: simply, without addition or qualification. |
| Simplified Administration | The system most often used to administer group insurance. Designed to keep administration overheads to a minimum. Normal changes in membership and benefit need only be advised to the insurer on a periodic (usually annual) basis. |
| Simplified Administrative Accompanying Document (SAD) | A control document for duty paid goods moving between European Union (EU) Member States. |
| simplified card | Part of the original PAYE scheme where domestic servants could always be paid on a week 1 basis without using cumulative tax codes. |
| Simplified Declaration Procedures (SDP) | Scheme that allows exporters to submit abbreviated details of exports to Customs at the time of export, and provide further details within 14 days. |
| simplified deduction scheme | Variation of the PAYE scheme that may be used for personal employees , such as servants in a private household (PAYE Regulations SI 2003 No 2682 reg 34). |
| simplified export declaration | Export declaration that may be made in simple cases of exported goods. The declaration is made electronically to Customs under the National Export System . |
| Simplified Frontier Declaration (SFD) | Customs declaration for goods imported under the CFSP arrangements. An SFD contains a minimum amount of information and is submitted at the frontier. Presentation of an SFD enables clearance at the frontier or removal to Local Clearance Procedure Clearance Procedure for goods imported under CFSP. |
| Simplified International Trade Procedures Board (SITPRO) | Trade facilitation organisation funded through the Department for Business Enterprise and Regulatory Reform. Mainly concerned with procedures and documentation related to international trade. Reconstituted as a company in 2001, under the name SITPRO Ltd. |

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| simplified PAYE | PAYE system that could be used for domestic staff before 6 April 2014. It broadly treated each pay period as month 1. Details were given in PAYE regulations SI 2003 No 2682 from s34. |
| simplified procedure | <p>Any alternative tax procedure that is less involved than the normal procedure and may be used in simple cases.</p> <p>The term is particularly used for VAT on installed and assembled goods supplied to another EU member state, as explained in VAT notice 725.</p> <p>There is also a simplified procedure in triangulation which means that the intermediate supplier need not register in another EU member state. This is also explained in VAT notice 725.</p> |
| simplified transit | <p>Range of simplifications to normal transit procedures for Customs purposes.</p> <p>These include comprehensive guarantee or guarantee waiver, special seals, authorised consignor status, authorised consignee status, procedures for particular modes of transport, and bilateral simplifications.</p> |
| simulation | <p>In mathematics, a method of determining an outcome when consequences can be quantified but the answer cannot be calculated.</p> <p>The method basically assigns each probability to a range of numbers. So if probabilities are 60%, 30% and 10%, they may respectively be assigned the numbers 1 to 60, 61 to 90, and 91 to 100. Random numbers are used to see what happens for each probability. The exercise is repeated until a consistent outcome can be determined.</p> |
| simultaneous or later disposal value | <p>For disposals under a finance lease, this term is defined in Income Tax Act 2007 s614BS(6).</p> <p>For anti-avoidance, the term is defined in Corporation Tax Act 2009 s918(6).</p> |
| sinecure | Enjoyment of payment for a position that involves no work. The term originally meant a church benefice that required no duties. |
| sine die | Latin: without day. Expression used to refer to a case that is adjourned indefinitely. |
| sine dubio | Latin: without doubt. |
| sine ira et studio | Latin: without ill-will and without favour. The term is used to refer to reporting that should be confined to facts and not get emotional. |
| sine prole | Latin: without issue. Having no children. |
| sine qua non | Latin: an indispensable condition. |
| Singapore | <p>Eastern country. Its currency is the Singapore dollar of 100 cents. The UK has a double taxation agreement of 1997, a protocol of 2010 and two protocols of 2012.</p> <p>Extra-statutory concession A49 applies to the widow of a man of</p> |

Singapore nationality who was resident in the UK and worked as a public official for the government of Singapore.

Singapore dollar Currency of Singapore.

singer

Pensions

Before 6 April 2006 (when the normal pension retirement age was 60), such a person was allowed to retire on a full pension at the age of 55.

Value added tax

The European Court of Justice ruled in a German case that the performance of solo singers did not come within the scope of VAT exemption for cultural services under what was the Sixth Directive Article 13A(1)(n), as that referred only to "bodies" and did not apply to individual performances. (*Hoffmann. ECJ Case C-144/00 [2004] STC 740*).

single

The status of being unmarried.

A single man is a **bachelor**; a single woman is a **spinster** though the term bachelor girl is not unknown.

Single Administrative Document (SAD)

A multi-purpose customs document which must generally be completed for Customs purposes for goods imported into the UK.

The SAD must state:

- the ship's name or aircraft flight number;
- date of arrival;
- bill of lading or air waybill number;
- post or place of loading;
- identification number of ship or aircraft;
- original place of loading;
- destination;
- description of goods, including identification marks on containers, and details such as quantity, weight or volume;
- any other Customs document completed for the importation; and
- the name, address and capacity in which the form is signed.

A SAD may be commercially produced if approved by Customs.

single alternative inspection location (SAIL)

Term used by Companies House for where a company's records are kept for inspection and which is not its registered office.

single asset pool

Pool for capital allowance purposes that contains only one item (Capital Allowances Act 2001 s54(3)).

Assets that must be put into such a pool (with the relevant section of the Act) are:

- **short-life assets** (s86)
- **ships** (s127)
- plant and machinery for a non-qualifying activity (s206)
- partial depreciation subsidy (s211)

- contribution allowances for plant and machinery (s538).

In relation to **partial depreciation subsidies**, there are further provisions in Capital Allowances Act 2001 s211.

single authorisation for simplified procedures (SASP)

Procedure that allows an importer to register with Customs or its equivalent in one member state but to be able to import into any member state. The importer accounts for the import in the registered state.

It was intended that this procedure should also be used for VAT, but this has not proved possible.

single claim

Term used for tax credits by a person claiming for themselves alone, unlike a **joint claim** (Tax Credits Act 2002 s3(8)).

single claimant

For **universal credit**, means "a single person who makes a claim for universal credit or in relation to whom an award of universal credit is made as a single person" (Welfare Reform Act 2012 s40).

single collection

Service offered by Royal Mail, whereby a single item of mail is specially collected for an additional charge.

single company

In relation to tax provisions for venture capital trusts, this is defined as a company without qualifying subsidiaries (Income Tax Act 2007 s332).

single company PEP

A tax efficient investment where you invest in the shares of only one company.

single compliance process (SCP)

Arrangement between HMRC and a small or medium sized enterprise or its tax agent to establish in advance the tax risks for a particular client.

"The SCP is aimed at improving the quality of service HMRC provides throughout the course of a compliance check by adopting a more collaborative approach, reducing unnecessary delays, reducing the customer burden and focussing solely on the aspects that HMRC needs to" (HMRC Notice of 7 February 2012).

SCP started in December 2010 and was due to end in January 2012. This has been extended to May 2012 and then September 2012.

single currency

Term originally used for the **euro**, adopted by ten of the then 15 EU states on 1 January 1999 and subsequently adopted by other countries. It is now used by 19 of the 28 EU states. The adoption of the currency occurred thus:

- 1 January 1999: Austria, Belgium, Finland, France, Germany, Irish Republic, Italy, Luxembourg, Netherlands, Portugal, Spain
- 1 January 2001: Greece
- 1 January 2007: Slovenia
- 1 January 2008: Cyprus, Malta.

single-dwelling interest

Term used for **annual tax on enveloped dwellings** and defined in Finance Act 2013 s108.

single dwelling transaction For stamp duty land tax, a transaction whose “main subject matter consists of —
(a) an interest in a single dwelling, or
(b) an interest in a single dwelling and other property”
(Finance Act 2003 Sch 6B para 3(2)).

single entry bookkeeping Bookkeeping where just one entry is made for each financial transaction, unlike traditional **double-entry bookkeeping**.
Single entry bookkeeping usually records everything in a cash book. There is no law against using single entry bookkeeping, though the lack of a journal means that it is not easily possible to produce statutory accounts.

Single Financial Guidance Body (SFGB)

Body created by the Department of Work and Pensions from October 2018 and available to the public from January 2019.

It has five core functions:

- pensions guidance
- money guidance
- debt advice
- consumer protection
- strategic working with other bodies.

single-income claimant In relation to incapacity benefit, this term is specifically defined in PAYE regulations SI 2003 No 2682 reg 173.

single investment project In relation to the cap on first year allowances for plant and machinery in designated assisted areas, “has the same meaning as in Commission Regulation (EU) No 651/2014 (General Block exemption regulations)”. (Capital Allowances Act 2001 s212U(5)).

Single Market Term used from 1993 to refer to trading between EU states. Measures brought into force by the EU on 1 January 2003, created an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured.

This required important changes to the way VAT and some excise duties are charged and accounted for.

single member company A limited company which has only one member. Such companies are now legal under UK company law. The register requirements are set out in Companies Act 2006 s123.

single payment scheme (SPS) Scheme for paying farmers under common agricultural policy until 2015 when it was replaced by the **basic payment scheme**.

single period capital rationing In management accounting, **capital rationing** for one period only, typically the first period of a project.

single person For the purpose of the **benefit cap** for social security, “means a person who is not a member of a **couple**” (Welfare Reform Act 2012 s96(10)).

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| single premium costed | A method of cost calculation used for group insurance schemes with a small number of members (typically less than 20). The overall premium is based on the costs calculated in detail for each member and based on age, sex and other factors. |
| single premium bond | <p>Life assurance policy sold as an investment product. Each year up to 5% (cumulative) of the sum deposited may be withdrawn from the bond without payment of tax.</p> <p>The whole sum is taxed at the end, usually when the bond holder's tax liability has reduced, such as in retirement. There is no capital gains tax on the profits of such a bond, and most anti-avoidance provisions do not apply.</p> |
| single premium policy | Life insurance policy paid for in advance by one single premium rather than in periodic premiums. |
| single priced unit trust | For child trust funds, "means an authorised unit trust in respect of which the manager gives the same price for buying and selling units at the same time" (Child Trust Funds Regulations SI 2004 No 1450 reg 11(2)). |
| single ship pool | <p>Balance of expenditure for a ship that must be kept separate from other capital expenditure for capital allowance purposes under the provisions of Capital Allowances Act 2001 s127.</p> <p>An explanation is provided in the Inspector's Manual at CA 25150.</p> |
| Single Source Regulations Office (SSRO) | Body established by Defence Reform Act 2014 s13. |
| single stakes about | In betting, a term for an up and down bet which uses the same stakes as for a normal bet. |
| single-statement approach | <p>In accounting, when an entity choose to produce a single statement of comprehensive income (profit and loss account), as against the two-statement approach which allows for a separate income statement.</p> <p>The accounting requirements are set out in FRS 102 Section 5.</p> |
| single tax | Doctrine that only land rent should be taxed, as espoused by Henry George in <i>Progress and Poverty</i> (1879). |
| single taxable person | For VAT, one person who runs a business or businesses. If the businesses is artificially split, HMRC has power to aggregate them (VAT notice 700). |
| single-tier adviser | Financial adviser who advises on the financial products of only one company and is usually and employee of that company. |
| singleton brewery | <p>Brewery that has one premises.</p> <p>This can be relevant for determining the rate of beer duty (Alcoholic Liquor Duties Act 1979 s36D-36F).</p> |
| single total remuneration figure (STFR) | Total amount received by the chief executive of a company with 250 or more |

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| | employees. It is required for the CEO pay ratio from 1 January 2019. |
| single trip insurance | Insurance policy arranged for a single journey or one return journey, such as for a holiday. |
| singular | “In any Act, unless the contrary intention appears, — ... (c) words in the singular include the plural and words in the plural include words in the singular” (Interpretation Act 1978 s6). |
| sink | 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. |
| sinking fund | Fund where money is put aside to meet a future requirement, particularly repayment of a loan. When the requirement is met, the fund “sinks”, which means it disappears. |
| sinking fund method | Method of calculating depreciation by providing a sum which increases each year using compound interest . |
| sinking stone | Large stone with a hole in it for securing a rope. It was used by smugglers to hide barrels of liquor below the surface of the sea. |
| Sinn Féin (SF) | Irish: ourselves alone. Irish nationalist political party. It became the main nationalist party in Northern Ireland in 2001. |
| sin-offering | Sum of money offered as expiation for sin. |
| sin rent | Charge sometimes made by the medieval church on those who kept a concubine or lived in sin. |
| sin taxes | Colloquial term for sumptuary taxes on products seen as socially undesirable. An example is excise duties on tobacco and alcohol. |
| Sint Eustatius | One of the islands of what was known as the Netherlands Antilles. |
| Sint Maarten | One of the islands of what was known as the Netherlands Antilles. |
| SIOG | Prefix for HMRC manual on specialist investigations operational guidance. |
| SIP | Share incentive plan. |
| SIP code | Body of tax law that is concerned with share incentive plans (SIPs). The tax law largely comprises Income Tax (Earnings and Pensions) Act 2003 s488 and Corporation Tax Act 2009 from s984. |
| SIPP | Self-invested personal pension scheme. |

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| SIR | (1) Standard for Investment Reporting. (2) Savings Income Information Regulations 2003. (3) Savings Income Return, made under SI 2003 No 3297. It was previously known as a Type 7 return. |
| SIS | Special import scheme, for veterinary medicines. |
| sist | In Scots law, a stay in legal proceedings. |
| sister company | Another company which is part of the same group . |
| sit-down strike | Strike by workers who sit at the workplace and refuse to move. It was a common practice in the 1930s. |
| site | In relation to oil and gas companies, this term is defined in Corporation Tax Act 2010 s356BC. |
| site of the old dwelling | In relation to annual tax on enveloped dwellings, means “the land on which the dwelling stood and that counted as part of the dwelling” (Finance Act 2013 s127(5)). |
| site preparation | Preparing a site for construction or other purpose. Such expenditure is normally regarded as part of the construction or other cost. For waste disposal, corporation tax provisions are given in Corporation Tax Act 2009 from s143, and for income tax in Income Tax (Trading and Other Income) Act 2005 from s165. |
| site preparation expenditure | “In relation to a waste disposal site, means expenditure incurred on preparing the site for the deposit of waster materials” (Income Tax (Trading and Other Income) Act 2005 s167(1)). |
| site restoration payment | Payment to restore a site which had been used for disposing of waste. From 6 April 1989 such a payment is often tax deductible (Income and Corporation Taxes Act 1988 s91A(4) and Corporation Tax Act 2009 s145). A full definition is given in Income Tax (Trading and Other Income) Act 2005 s168(3). |
| site-wide operation | Arrangement whereby someone who operates an amusement arcade may account for VAT on the basis of all machines rather than for each machine separately (VAT notice 701/13). HMRC permission must be obtained. |
| SITPRO | Simplified International Trade Procedures Board. |
| SITR | Social investment tax relief. |
| sitting day | In relation to the Provisional Collection of Taxes Act 1968, this “means a day on which the House [of Commons] sits” (Provisional Collection of Taxes Act 1968 s1(5C)). |

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| sitting places | Places where a tribunal may sit (Tribunals, Courts and Enforcement Act 2007 s26). |
| sitting pretty | Colloquialism that means to be in a favourable position, particularly financially. |
| sitting tenant | Person who is legally occupying a domestic or commercial premises when the freehold is sold. The presence of a sitting tenant often significantly reduces the value of the premises. |
| sit vac | Situation vacant. |
| SIV | (1) Standard Import Values. (2) Structured (or special) investment vehicle. |
| six counties | The counties of Northern Ireland. |
| Six-Month Offer | Term used for an element in the government's welfare-to-work programme. The Offer ran from April 2009 to March 2011. Its main element was to provide £50 a week assistance for 16 weeks to unemployed benefit claimants to set up their own business. The Offer replaced the New Deal and has itself been replaced by New Enterprise Allowance . |
| sixpence | Coin worth half a shilling or 2½p, first introduced by Edward VI in 16 th century. The coin was demonetised on 30 June 1980. |
| sixty-four thousand dollar question | Final and most difficult question to answer. The term comes from an old US television quiz show. |
| sizings | Allowance of food traditionally prescribed for an undergraduate. |
| SJ | Solicitors' Journal. This includes law reports from 1857. |
| SJC | Supreme Judicial Court, US term. |
| SK | (1) Country prefix code for Slovakia. (2) Slovak koruna (3) Canadian province of Saskatchewan. |
| skattur av nytstlugjaldi | Royalty tax in Faroe Islands. It comes within the scope of the UK/Faroes Double Taxation Convention. |
| skattur eftir kolvetnisskattalógini | Revenue tax on hydrocarbon oil in Faroe Islands. It comes within the scope of the UK/Faroes Double Taxation Convention. |

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| skeleton staff | Reduced staffing intended to maintain only the essential functions of an organisation. |
| skew | Biased, adjusted away from a base. In statistics, the term means not symmetrical about the mean. More generally, the term means to adjust in a biased manner. |
| skier | A skier may retire on a personal pension below the age of 50, provided: <ul style="list-style-type: none">• the person had the right by 5 April 2006,• the right was unqualified in that it needed no other person to consent,• the right was set out in the governing documentation of the pension scheme by 10 December 2003. (SI 2005 No 3451, as explained in the Inspector's Manual at RPSM 03106035). |
| skill | Combination of knowledge and practical ability that an individual can apply to a particular task. |
| skill centre | Government-funded centre once run in UK to help people acquire job-related skills. |
| skilled employee condition | <p>In relation to enterprise investment scheme and similar schemes, one of the two conditions for a company to be a knowledge-intensive company. The other condition is the innovation condition.</p> <p>The main element of the skilled employee condition is that, broadly, at least 20% of employees are skilled (Income Tax Act 2007 s252A as inserted by Finance (No 2) Act Sch 5).</p> <p>For venture capital trusts, the same definition is used in Income Tax Act 2007 s331A(9) as inserted by Finance (No 2) Act 2015 Sch 6.</p> |
| skill gap | Situation where there are too few workers with necessary skills. |
| skilling | Obsolete small Scandinavian coin. |
| skill machine | Term used in VAT notice 701/13 for a quiz machine or similar that tests a person's skill or knowledge. They are not regarded as gaming machines . |
| skill set | Range of skills needed for a particular task or job. |
| Skills Funding Agency (SFA) | Government-backed body formed in April 2010 to provide further education for young people. It works with the Young People's Learning Agency formed at the same time. |
| skill with prizes (SWP) | Description of a machine that is a skill machine . |
| skimming | Practice of removing many small amounts of money from funds. This is usually theft. |

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| skimming pricing | Pricing strategy where an organisation sets an initial high price and then slowly lowers the price to make the product available to a wider market. |
| skimp | Make do with barely sufficient resources. |
| skin game | Swindling trick. The term was common in the 1920s. |
| skinny dipping | Bathing naked. By extension, the term has been used to mean to do something bold or daring, such as a risky business enterprise. |
| skip | (1) Instruction in a computer program to omit a step. (2) Large metal container such as to raise minerals from a mine, or to place unwanted items for dumping. (3) University servant in some old universities. |
| skipper | General term for a person in charge of a ship or aeroplane. |
| skippet | Box for holding a seal used for documents. |
| skirting | In relation to a caravan , the supply of a skirting is regarded as an integral part of the supply of a caravan. For VAT, the treatment of the skirting is the same as for the caravan. |
| skit note | Parody of a bank note such as for campaigning or advertising. |
| ski travel insurance | Travel insurance with additional medical cover for skiing holidays. |
| skiver | Person who evades doing work, particularly during employment. |
| skivvy | Disrespectful term for a domestic servant. |
| Skr | Skipper. |
| Skype | Trade name for a network that allows telephone calls to be made from computer equipment. |
| SLA | Short life asset , for capital allowances. |
| slab basis | <p>Basis of calculating tax whereby the whole amount is subject to tax once a threshold has been reached. Stamp duty and national insurance have been computed on the slab basis. In other countries, such as Pakistan, the slab basis has been used for income tax.</p> <p>Stamp duty land tax was assessed on the slab basis for residential property until 2015 and for commercial property until March 2016.</p> <p>The slab basis also applies to other taxes such as the “all or nothing” income tax provisions on Christmas parties.</p> <p>The alternative is the slice basis.</p> <p>The points where rates change under the slab basis are called notches. The gap above the notch, where additional income does not lead to additional net pay, is known as a hole.</p> |

The notch formula for determining the size of a hole is $P = T(H - L)/(1 - H)$ where P is the amount of additional income above the threshold needed to compensate for the higher rate of tax, T is the threshold or notch at which the higher rate applies, L is the rate below the notch and H is the rate above the notch. Both L and H are expressed as decimals.

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| slack | In finance, spare capacity. The term comes from sailing where a slack rope can be tightened to get more speed from a sail. |
| slack period | Time when business is light. Normally such periods are expected to be slack. |
| SLA | Standard lifetime allowance, for pension contributions. The abbreviation is used in the formula in Finance Act 2004 s218(4). |
| SLA election | In tax, an election to treat an integral feature of a building as a short life asset for the purposes of capital allowances. The election must be made within two years of the end of the tax year in which the expenditure arose. |
| slag | Solid scum formed on molten metal. |
| slammer | Colloquialism for prison. |
| slander | Defamation in temporary form such as speech. Under English law, it is necessary (and difficult) to prove that the words spoken directly led to financial loss. Such legal actions are rare. |
| slash | Dramatic reduction in price or amount. |
| slate | Record by pub or shop of sums owed by customers. The term comes from the old practice of writing details on a slate or blackboard. |
| slate club | Old term for a contributory welfare society. |
| slatted flooring area | This qualifies as plant and machinery (at the higher rate) in the pig industry when used in connection with a slurry system (HMRC Brief 03/2010 issued on 23 February 2010). |
| slaughter | The tax provisions for compensation for compulsory slaughter of animals are set out in Income Tax (Trading and Other Income) Act 2005 from s225ZA, with effect from 1 March 2012. |
| slaughtering instrument | “Means a firearm which is specially designed or adapted for the instantaneous slaughter of animals or for the instantaneous stunning of animals with a view to slaughtering them” (Firearms Act 1968 s57). |
| slavery | Ownership of one person by a master where the slave is required to work for subsistence. This was formally abolished in the UK in 1807 having been held to be illegal by the courts in 1772. It continued in other countries into the 20 th century. The current law against compulsion to work is contained in Trade Union |

and Labour Relations (Consolidation) Act 1992 s236.

There is new law against **modern slavery**.

slavery and trafficking prevention order

Order made by a court under Modern Slavery Act 2015 s14.

slavery and trafficking reparation order

Order made by a court under Modern Slavery Act 2015 s8.

slavery and trafficking risk order

Order made by a court under Modern Slavery Act 2015 s23.

slavery contract

Contract whereby an entertainer sells his services to a company in exchange for a regular income.

Such income is generally assessable as employment income, except that the broadcaster David Frost managed to maintain his self-employed status in a case in 1980 when he sold his services to an American company.

SL carer

Shared lives carer, an adult who looks after another adult.

SLD

Social and Liberal Democrats. Name briefly used by Liberal Democrat party.

sld

Abbreviation: sailed.

sleep-in shift

Shift where the worker sleeps on the premises while on-call. Such arrangements are common in the care sector, such as looking after elderly or vulnerable people.

Typically the worker is paid a shift allowance plus wages for any hours actually worked while awake.

In the case, *Focus Care Agency Ltd v Roberts* [2017] and other cases, the Employment Appeal Tribunal (EAT) held that sleep-in workers were entitled to the full national minimum wage (NMW) while on-call, even if asleep.

The government introduced a Social Care Compliance Scheme (SCCS) allowing employers to identify arrears owed to such workers. It also announced it would not impose NMW penalties for periods before 26 July 2017. All enforcement action was suspended between 26 July 2017 and 1 November 2017.

The Court of Appeal overturned the EAT decision in *Royal Mencap Society v Tomlinson-Blake*. Another case [2018] EWCA Civ 1641 on 13 July 2018. The case was sponsored by the trade union Unite.

sleeping partner

Person who is a partner in a business but plays no part in its management. Such a person has usually provided significant funding for the business. His share of the profits represents his return on that funding.

sleep-out

Organising people to sleep outdoors on a day of registration to frustrate the purpose of a register. Such a campaign was organised in 1987 and subsequent years as a protest against **community charge**.

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| SLfT | Scottish landfill tax. |
| slice basis | <p>Basis for calculating tax where progressive rates are applied on each slice of a figure. Income tax uses the slice basis. This is used for income tax.</p> <p>The alternative is the slab basis where the same rate is applied to the whole amount once a threshold has been reached. Stamp duty land tax uses the slab basis.</p> |
| slide rule | <p>Device which comprises a ruler with an inset that slides. Both parts are calibrated. By this means, mathematical functions such as multiplication are simplified. In the 1960s, slide rules were also made to calculate PAYE.</p> <p>Subsequent development of calculators and computers has largely made slide rules redundant.</p> |
| sliding scale | <p>Scale of prices or charges that move according to fluctuations in a base cost. The term was particularly used for corn law of 1828.</p> |
| slimming products | <p>For VAT, edible products are generally zero-rated as food. Appetite suppressants are generally standard-rated. The exact scope is set out in VAT notice 701/14.</p> |
| slippage | <p>Gradual failure to meet an expected outcome, particularly when it is believed that the ground lost can be made up later.</p> |
| slippers | <p>Slippers can only be zero-rated as children's clothing if below size 3 (<i>R Spencer (Cosy Comfort Slippers) Ltd [1991] VTD 7945</i>). They could not benefit from zero-rating for girls' shoes up to size 5½, as slippers are generally suitable for either sex.</p> |
| SLL | ISO code for Sierra Leone. |
| sloth | Sin of laziness and sluggishness. |
| slot length | <p>In relation to television product relief, "means the period of time which the programme is commissioned to fill" (Corporation Tax Act 2009 a1216AB(7)).</p> |
| Slovakia | <p>European country that is a member of the European Union. Its currency is the euro of 100 cents. The UK double taxation convention of 1990 with Czechoslovakia continues to apply.</p> |
| Slovenia | <p>European country that is a member of the European Union. Its currency is the euro of 100 cents. The UK has a double taxation convention of 2007.</p> |
| slow moving stock | <p>Stock that takes longer to sell than expected. For such stock, HMRC may accept that the net realisable value is less than cost, as discussed in the Inspectors' Manual at BIM33145.</p> |
| slow payer | <p>Customer who habitually is late in making payment.</p> <p>For such a customer, the debt is not deductible as a bad debt unless there is evidence of the customer's poor financial position. The matter is</p> |

discussed in the Inspectors' Manual at BIM 42710.

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| SLRP | Supervisory Liquidity Review Process. |
| SLT | (1) Scots Law Times, Scottish law reports from 1893. (2) Speech and language therapist. |
| sludge dewatering system | This qualifies as plant and machinery (at the higher rate) in the pig industry (HMRC Brief 03/2010 issued on 23 February 2010). |
| slug | Name for a counterfeit blank coin intended for use in machines. Making and using slugs is a criminal offence if intended to cause financial loss. The term can also be used for a legal foreign coin that has the same physical properties as the coin for which it is unlawfully used. |
| sluice | For capital allowances, this is specifically excluded from the scope of plant and machinery (Capital Allowances Act 2001 s22(1) List B). |
| slum | Poor quality housing. There are many provisions for their clearance or upgrading under Housing Acts, and many consequential tax provisions. |
| slum clearance subsidy | A subsidy that could be paid by central government to a housing authority under Housing Finance Act 1972 s1. |
| slump | Sudden fall, such as in a price or index. |
| slurry storage | Place where farmers (and some others) are required to store fertilisers under The Control of Pollution (Sludge, Slurry and Agricultural Fuel oil) Regulations 1991. The regulations are tightened up in Nitrate Vulnerable Zones from 1 January 2009. Slurry storage typically comprises a tank or pit, with pipes or channels. Guidance on the right to claim capital allowances for slurry storage was given by HMRC in <i>HMRC Brief 66/2008</i> . Broadly this allows the facilities to claim allowances as plant and machinery, except to the extent that they comprise buildings. |
| slurry storage systems | This qualifies as plant and machinery (at the higher rate) in the pig industry (HMRC Brief 03/2010 issued on 23 February 2010). |
| SM | (1) Sergeant-major. (2) Short metre. |
| small beer | Weak beer. By extension, a trivial matter. Between 1643 and 1830, the term defined weaker beer that had a lower rate of excise duty. The difference was determined entirely by the palate of the excise officer who sampled it. |
| small brewery beer | Beer that is produced in quantities of less than 60,000 hectolitres a year (30,000 hectolitres) before 1 June 2004 (Alcoholic Liquor Duties Act 1979 s36D). |

If this and some other conditions are met, it attracts a lower rate of **beer duty** (Customs notice 226). This provision was introduced from 1 June 2002.

The term is replaced by **beer from small breweries** from 1 October 2011.

small business

“An undertaking other than a micro business... which meets the following conditions... —

(a) it has a headcount of staff of less than 50, and

(b) it has —

(i) a turnover, or

(ii) a balance sheet total,

of an amount less than or equal to the **small business threshold**”

(Small Business, Enterprise and Employment Act 2015 s33(2)).

For the purposes of the **Small Business Commissioner**, the term means “a relevant undertaking which —

(a) has a headcount of staff of less than 50,

(b) if the business threshold condition applies to the relevant

undertaking, meets that condition, and

(c) is not a public authority”

(Enterprise Act 2016 s2(1)).

Small Business Commissioner (SBC)

Position created by Enterprise Act 2016 s1(1). The function is:

“(a) to provide general advice and information to small businesses...,

and

(b) to consider complaints from small businesses relating to payment matters in connection with the supply of goods and services to larger

businesses...” (ibid s1(2)).

small business conditions

The conditions needed for a business to come within the definition of a **small business** as defined in Small Business, Enterprise and Employment Act 2015 s33(2) and regulations.

small business online forum

Forum launched by HMRC on 1 August 2017 as a means of letting small businesses getting their tax questions answered quickly.

small business rate relief (SBRR)

Scheme introduced from 1 April 2005 to provide relief from **business rates** by small businesses in properties with a low rateable value. It provides relief of up to 50%.

Provisions are contained in Local Government Finance Act 1988 s43.

Current provisions for England are given in SI 2017 No 102.

The relief is:

- 100% if the rateable value is below £12,000

- 100% minus 1% for every £30 the rateable value exceeds £12,000

(up to £15,000).

For values above £15,000, a small business multiplier may be used.

There are similar provisions for other parts of the UK.

small business threshold The monetary limits of turnover and balance sheet total, below which a business meets the conditions for being a **small business** as defined by Small Business, Enterprise and Employment Act 2015 s33(2).

Small Caps For investment, another name for smaller companies, as measured by their market capitalisation. A typical definition is one which has a market capitalisation of less than US\$500 million.

small change Small amount of money. Literally it means coins of a low value.

small claim Claim in the county court which uses the small claims procedure.

small claims court Misnomer for the county court. There is no separate court for small claims; there is just a small claims procedure.

small companies rate Term used before 2010 for the lower rate of corporation tax which applies to businesses which have made a smaller taxable profit. It is now called the **small profits rate**.

Small Companies Regulations "The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 (SI 2008/409)" (FRS 102 glossary).

small company Company which for any year meets at least two of these conditions:

- turnover not more than £6.5 million;
- balance sheet total no more than £3.26 million
- no more than 50 employees.

These limits apply for accounting periods that start after 5 April 2008. They are given in Companies Act 2006 s382(3).

The amounts are set by the EU in euros, which is the amounts are not round figures.

Previous limits are:

| From | Turnover | Assets | Employees |
|-------------------------|--------------|---------------|-----------|
| 6 April 2008 | £6.5 million | £3.26 million | 50 |
| 20 January 2004 | £5.6 million | £2.8 million | 50 |
| 16 November 1992 | £2.8 million | £1.4 million | 50 |

A small company is relieved from some provisions of company law, and comes within the scope of some tax reliefs.

small craft For Customs purposes, any sea-going vessel of up to 100 tons. Hovercraft are also classified as small craft.

Small craft may be given a Customs licence which exempts them from certain Customs regulations.

small disposal For capital gains tax, no tax is payable for small disposals in four circumstances:

- on a capital distribution (Taxation of Capital Gains Act 1992 s122(2));

- on a share reorganisation (ibid s116(13));
- a premium on conversion of securities (ibid s133(2)); and
- cash on compulsory acquisition of land (ibid s43(1)(a)).

In each case, the amount received is treated as a reduction in acquisition cost.

The legislation does not define "small", though the courts have provided guidance in cases such as *O'Rourke v Binks [1992] STC 703*.

The courts say that "small" is a question of fact and degree, and must be considered in the light of the circumstances of each case. The aim is to avoid paying tax on trivial amounts.

HMRC has published guidance indicating that "small" means up to £3,000, or up to 5% if greater. A taxpayer may argue that a larger figure is "small".

small earnings exemption (SEE)

Amount of annual earnings below which a self-employed person need not pay class 2 national insurance contributions nor register for national insurance. The law is Social Security Contributions and Benefits Act 1992 s11(4).

small employer's relief (SER)

Additional amount of statutory maternity pay and related payments that may be recovered from the government by a small employer.

Eligibility for the relief is determined by the total national insurance paid in the previous year. The limit has been £45,000 since 6 April 2004. It was £40,000 from 6 April 2002, and £20,000 previously from 6 April 1994. This relief also applied for statutory sick pay for 1994/95 only.

SER attracts relief at 100% plus a **compensation rate** (reflecting that SMP often incurs employers' national insurance). Other businesses may only recover 92%.

small entity

For accounting,

"(a) a company meeting the definition of a small company as set out in section 382 or 383 of the [Companies Act 2006] and not excluded from the small companies regime by section 384;

(b) an LLP qualifying as small and not excluded from the small LLPs regime, as set out in LLP Regulations [SI 2008 No 1912]; or

(c) any other entity that would have met the criteria in (a) had it been a company incorporated under company law" (FRS 102 glossary).

small gift exemption

For inheritance tax, a gift of up to £250 a person in one tax year. This is exemption from inheritance tax (Inheritance Tax Act 1984 s20).

Provided that the limit is not breached for any one person in any one tax year, the donor may make any number of gifts of this value. So a man with ten children and grandchildren could give them a total of £2,500 tax year. If larger donations are made, they may be exempt under other exemptions, such as the **annual exemption**.

The exemption is not an allowance. So if a donation of £300 is made to a person, it is not possible to use this exemption to reduce the chargeable gift to £50.

- small gifts from third parties** When provided to an employee for a total value of up to £250, such gifts are exempt from tax under Income Tax (Earnings And Pensions) Act 2003 s324.
- small holding**
- Land*
Plot of agricultural land that is not big enough to be called a farm.
It was defined in Small Holdings and Allotments Act 1926 as being between 1 and 50 acres.
- Securities*
A holding of securities up to £5,000. Such a holding is generally excluded from tax provisions for **accrued income scheme** (Income Tax Act 2007 s639).
- small income relief** Relief that was available for income tax on small incomes before **unified tax** was introduced in 1973.
- small LLP Regulations** “The Small Limited Liability Partnerships (Accounts) Regulations 2008 (SI 2008/1912)” (FRS 102 glossary).
- small loan** For the purposes of tax relief on peer-to-peer loans, “means a loan of £25,000 or less” (Income Tax Act 2007 s412I(8)).
- small maintenance payment** Maintenance, such as for a child or former spouse. For agreements made from 6 April 1988, such payments are paid gross.
Previously, only a payment of up to £48 a week (from 6 April 1986) could be paid gross.
- small non-commercial consignments relief (SNCCR)**
Relief from excise duty on small quantities of excisable goods sent to UK. This relief was abolished from 19 July 2007.
- small or medium-sized enterprise (SME)**
Business which is not large, as defined. The definition is the same as for **small company**, though it is not necessary for an SME to be legally constituted as a limited company.
The term is defined for accounting standards. This definition is broadly applied for corporation tax under the provisions of Corporation Tax Act 2009 s1119.
- small pack** For **beer duty**, a container up to 10 litres. For such packs, there are rules relating to **average size rules**, as explained in Customs notice 226.
- small part disposal** For capital gains tax, disposal of some of the land where the value transferred is up to £20,000 (Taxation of Capital Gains Act 1992 s242).
In defined circumstances, such a disposal may be regarded as a reduction of acquisition cost rather than a disposal.
- small pension pot** A personal pension which has no more than £30,000, or up to three pensions each of which contains no more than £10,000.
The member may receive the whole amount in cash, without the need to buy an annuity. The first 25% is tax free.

small pool Capital allowance pool whose value has fallen to the **small pool balance**.

small pool balance In tax, a balance on the **PMA pool** (written down value of plant and machinery) which has reduced to less than £1,000. From 1 April 2008, a business may write off the whole balance in the tax year that the pool reduces to that size (Capital Allowances Act 2001 s56A).

small pools allowance In tax, a small balance of written-down plant and machinery which may be written off in 2008 when the new system of capital allowances is introduced.

Under the capital allowances scheme before April 2008, plant and machinery was written down each year, usually by 25% on the reducing balance method. This meant that plant and machinery never reached a value of zero until it was disposed of, but stayed in a pool which slowly shrank (unless new equipment was added). Under the system introduced from April 2008, a pool of up to £1,000 may be written off immediately.

small-prize gaming machine

A machine where the value of the prize is small. There are usually two limits, one for a cash payment and one for the value of a tangible item as a prize.

Such a machine is exempt from amusement machine licence duty.

The limits depend on the maximum payment for a game, and the maximum cash prize and gift prize.

| Max stake | Max prize | Max cash prize |
|------------|-------------|----------------|
| 2p | none | none |
| 10p | £15 | £8 |
| 30p | £8 | £5 |
| £1 | £50 | nil |

small producer For soft drinks industry levy, someone who produces up to one million litres a year of soft drink (Finance Act 2017 s38).

small producer threshold For soft drinks industry levy, "is 1 million litres" (Finance Act 2017 s38(7)).

small profits rate (SPR) Lower rate of corporation tax payable on taxable profits below £300,000 a year. Before 2010, this was known as the **small companies rate**. The new term is more accurate.

The legislation for the rate is Corporation Tax Act 2010 s3, and for determining the profits subject to this rate is *ibid* s18.

small-scale trade Term used in relation to a tax relief for charities (Income Tax Act 2007 s526).

small settlement of cash For inheritance tax, an **excepted settlement**.

small ships For Customs purposes, "means —
 (a) ships not exceeding 100 tons register; and
 (b) hovercraft, of whatever size"

(Customs and Excise Management Act 1979 s81(1)).

small trades Incidental trading. Below a threshold it avoids tax.

small value underlying subject matter

Underlying subject matter in an option, future or similar financial instrument, but where the subject matter is excluded property of a small value and which may therefore be disregarded (Corporation Tax Act 2009 s590).

small works contract Contract for building work of less than £150,000.

smart card Plastic payment card that contains a chip which holds data.

smart charge points Charging point for an electric vehicle that can receive and process information as set out in Automated and Electric Vehicles Act 2018 s15.

smart charging Arrangements whereby electric cars are charged when electricity demand is plentiful, to avoid overloading the electrical supply system.

smart contract **Blockchain** which includes program code in addition to data. The code can automatically generate journal entries and ledger entries.

smart money Money paid by a person to buy exemption from a disagreeable duty.
More recently the term has come to mean a wise investment.

smart phone Mobile telephone with additional functions such as camera, Internet access and games.
HMRC accepts that such devices come within the scope of the exemption for mobile phones from being a taxable employee benefit. However computer equipment such as tablets do not come within the scope, even though they may have telephony facilities.
The term can be spelled as a single word.

smash and grab Form of robbery that involves smashing a shop window to seize goods.

SMD Abbreviation: surface-mounted device.

SME Small and Medium Enterprises - there is no definitive delineation between a small and medium sized business. As a general reference, small is often from 5 to 20 employees, medium from 20 up to 200.
There are legal definitions for accounting purposes.

SME partnership condition In relation to corporation tax for corporate partners in Northern Ireland, this term is defined in Corporation Tax Act 2010 s357WA(2).

Smeed Report Report published in 1964 into alternative methods of charging for road use.

smell test Term used by Exchequer Secretary David Gauke MP in a speech on 23 July 2012 about artificial avoidance schemes. The relevant part of his speech is reproduced below:

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Where the tax consequences of an arrangement are so clearly contrary to the intentions of Parliament, where the nature of the arrangement so clearly lacks a commercial, non-tax rationale and where the results looks "too good to be true", most reputable advisers would say that the arrangements stink — and stay well clear.

| | |
|---------------------------|---|
| smelt | Melt ore to separate rock from metal. |
| SMI | Support for Mortgage Interest. |
| smidgen | Colloquialism for a very small amount. |
| smishing | Newly-coined word (accepted by Oxford English Dictionary in February 2017) that means the fraudulent practice of sending a text message supposedly from a reputable body to induce a person to disclose bank card details or other sensitive information. |
| Smith, Adam | Scottish philosopher (1723-1790) who developed theories of the political economy that are still widely quoted. His most popular work is <i>The Wealth of Nations</i> published in 1776 and subsequently reprinted with amendments. |
| Smith, Andrew | English Labour politician (1951-) who Secretary of State for Work and Pensions from 29 May 2002 to 8 September 2004. |
| Smith, Iain Duncan | Scottish-born Conservative politician (1954-) who was Secretary of State for Work and Pensions since 12 May 2010 until 18 March 2016, when he resigned in protest at government policy. He was leader of the Conservative party from 13 September 2001 to 6 November 2003. |
| Smith, John | Scottish Labour politician (1938-1994) who was Shadow Chancellor from 13 July 1987 to 24 July 1992, when he became Leader of the Opposition. |
| Smith Report | Report published in November 2014 under the chairmanship of Lord Smith of Kelvin. It deals with how to give greater powers to Scotland. Chapter 3 deals with tax proposals. |
| SMMT | Society of Motor Manufacturers and Traders. |
| SMO | Senior Medical Officer. |
| smoke-farthing | Church tax imposed between 16 th and 19 th centuries. Everyone who owned a property with a chimney was obliged to pay a farthing to the church or cathedral at Whitsun. |
| smokeless fuel | Alternative to coal . A miner may receive free such fuel or an allowance in lieu of such fuel. The fuel or allowance is tax free under Income Tax (Earnings And Pensions) Act 2003 s306. A similar provision applies for former miners under ibid s646. |

smokescreen

Any speech or other activity designed to conceal one's motives.

smoking

Burning of tobacco and its inhalation for recreational use and pleasure. Although smoking is believed to have been practised from 5000BC, its use in Europe largely dates from the 17th century. It was initially seen as being healthy as it killed germs. From 1950 onwards, its link to lung cancer and respiratory illnesses led to a change of attitude to discourage its use.

The percentage of UK adults who smoke fell from 45% in 1979 to 17% by 2015.

Government action includes high rates of tax, bans on smoking in public and restrictions on sales.

Tobacco products are subject to an excise duty known as Tobacco Products Duty under Tobacco Products Duty Act 1979. They are also subject to VAT. Between 1993 and 2000, tobacco duty was increased by more than inflation under an "escalator". By 2016, 74% of the price of cigarettes comprised tax.

Cigarette smoking is now banned in workplaces, public places and in cars carrying a child. It remains legal in the home, outdoors and in cars not carrying a child. The bans took effect from:

- 26 March 2006 in Scotland
- 2 April 2007 in Wales
- 30 April 2007 in Northern Ireland
- 1 July 2007 in England

A tax tribunal has held that a gazebo was plant (and therefore qualified for capital allowances) when provided by a pub so that smokers can be protected from rain while smoking.

Legal provisions against smoking include:

- 1 August 1965: TV cigarette advertisements are banned
- 1971: first health warnings appear on cigarette packets
- 1991: all tobacco advertising banned on television
- December 2002: large health warnings appear
- 14 February 2003: all forms of tobacco advertising are banned
- 14 May 2003: sponsorship by tobacco companies banned
- May 2004: advertising in tobacconists is banned
- 21 December 2004: large adverts in shops and pubs are banned
- 2006: limits imposed on exports of tobacco
- 1 October 2007: minimum age for purchase raised from 16 to 18
- 1 October 2008: pictorial images added to health warnings
- 1 October 2011: cigarette machines banned
- 6 April 2015: cigarette displays must be covered in shop
- 1 October 2015: illegal to smoke in a car with anyone under 18
- 20 May 2016: illegal to sell packets of less than 20 cigarettes
- September 2016: plain packaging starts to be phased in
- 20 May 2020: ban on menthol cigarettes.

smoke-filled room

Private place where deals and rules are agreed. The term comes from the tradition that participants usually smoked.

| | |
|-----------------------|---|
| smokestack | Description of a traditional industry, particularly heavy manufacturing. |
| SMP | Statutory maternity pay. |
| SMR | Standardised mortality rate. |
| SMTP | Simple mail transfer protocol. |
| smuggled goods | Keeping on premises is offence under Licensing Act 2003 s144. |
| smuggling | <p>Importing goods without Customs clearance and without paying any Customs duties, excise or VAT.</p> <p>Smuggling started in the reign of Edward I (late 13th century) when customs duties were first imposed, on wool. The Customs service was progressively given the task of preventing smuggling during the 17th and 18th centuries.</p> |
| Sn | Atomic symbol for tin. |
| sn | Abbreviation: secundum naturam, Latin: according to nature. |
| snake, the | Colloquial name for European Monetary System . |
| snake oil | Product without medicinal value sold as a medicine. By extension, the term has been used for any seller of useless product. |
| snatch-back | <p>Any arrangement whereby a hirer or seller repossesses goods without the hirer's or buyer's consent.</p> <p>Typically a car is snatched-back by using a spare key.</p> |
| SNCCR | Small non-commercial consignment relief. |
| SNCF | Société Nationale des Chemins de fer Français, the French national railway. |
| sneak thief | Thief who steals from premises without breaking in, such as by climbing through an open window. |
| SNG | Syngas. |
| snipe | <p>(1) Bid placed at the last moments of an auction with a view to preventing any higher bids being placed.</p> <p>(2) American slang for the butt of a cigar or cigarette.</p> |
| snitch | Slang term meaning to pilfer. |
| SNO | Senior nursing officer. |
| snooker | <p>A snooker player may retire on a personal pension below the age of 50, provided:</p> <ul style="list-style-type: none">• the person had the right by 5 April 2006, |

- the right was unqualified in that it needed no other person to consent,
 - the right was set out in the governing documentation of the pension scheme by 10 December 2003.
- (SI 2005 No 3451, as explained in the Inspector's Manual at RPSM 03106035).

Snooker tables specifically excluded from the scope of **amusement machine licence duty**.

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|------------------------------|--|
| snowballing | Form of fraud in which one company finances another when both are under the control of the same person. The companies "trade" with each other recording profits that are high and fictitious. The technique was first used in 1898 by James Balfour MP. Modern company law makes this technique much more difficult. |
| snow clearing machine | "A vehicle is an excepted vehicle when it is — (a) being used, or (b) going to or from the place where it is to be or has been used, for the purpose of clearing snow from public roads by means of a snow plough or similar device (whether or not forming part of the vehicle)" (Hydrocarbon Oil Duties Act 1979 Sch 1 para 7). |
| Snowden, Philip | English politician (1864-1937) who was the first Labour party Chancellor of the Exchequer from 22 January 1924 to 3 November 1924, and again from 7 June 1929 to 5 November 1931 under the Labour and National governments of Ramsey Macdonald. He reduced some taxes and tariffs, but did not introduce other promised socialist measures. |
| SNP | Scottish National Party. |
| Snr | Abbreviation: senior. |
| snuff | Tobacco powder. It is traditionally taken in a small amount by pinching some between a finger and thumb and inhaling it. It may be scented. Snuff is subject to tobacco products duty and value added tax. |
| SO | (1) senior officer (2) special order (3) signal officer (4) sales order (5) standing order (6) staff officer. |
| So | South. |
| s.o. | Abbreviation: seller's option or shipping order |
| soap duty | Excise duty on soap charged between 1712 and 1853. |

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| soap opera | Radio or television programme comprising frequently aired episodes of a running story line. The term comes from the fact that the original programmes were sponsored by soap and detergent companies to appeal to people cleaning their houses at the time. The first soap opera is regarded as <i>Painted Dreams</i> which first aired on Chicago radio in 1930. |
| soar | Rise to a great height. By extension this refers to any amount that has risen significantly, but not necessarily unexpectedly. |
| Soc | (1) Society (2) Socialist. |
| SOCA | Serious and Organised Crime Agency. |
| socage | Old form of land tenure. |
| social action | With regard to negligence, "the court must have regard to whether the alleged negligence or breach of statutory duty occurred when the person was acting for the benefit of society or any of its members" (Social Action, Responsibility and Heroism Act 2015 s2). |
| social assistance | Term sometimes used by countries to mean social security . |
| social care | In relation to crimes committed by a care worker, the term is defined in Criminal Justice and Courts Act 2015s20(6). |
| social care compliance scheme (SCCS) | <p>Scheme launched by HMRC in relation to payment of the national minimum wage for sleep-in duties.</p> <p>In 2016, the employment appeal tribunal ruled that a worker is entitled to the national minimum wage for all hours on-call during such a duty, even if asleep. Because of its impact on the care sector, HMRC launched a scheme whereby care companies could register and be given time to arrange payment without fear of prosecution under national minimum wage laws.</p> <p>In July 2018, the Court of Appeal overturned the employment appeal tribunal decision, meaning that national minimum wage need not be paid for hours of sleep-in on-call when the worker is not actually working. The case's sponsoring trade union Unite has appealed this decision to the Supreme Court.</p> <p>In August 2018, HMRC said it was continuing to register care companies under the scheme.</p> |
| social care services | "Means services that are provided in pursuance of the social services functions of local authorities (within the meaning of the Local Authority Social Services Act 1970) " (National Health Service Act 2006 s14Z1(3) as inserted by Care and Social Health Act 2012 s26). |
| Social Chapter | Part of the EU Maastricht Treaty of 1991, ratified in 1993, which helped create the European Union. The Chapter deals mainly with workers' rights. |

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| social climber | Person who seeks to advance his or her standing by associating with people perceived to be of such standing. |
| social compact | Voluntary agreement between individuals relating to rights, duties and functions, with a view to creating an ordered society. |
| social contract | Alternative name for social compact . |
| social credit | In economics, a movement stressing the element of unearned increment in the returns of industry. It advocates the achievement of social welfare by the stable adjustment of production and consumption through monetary reform. |
| Social Democratic and Labour Party (SDLP) | Irish nationalist political party founded in 1970. It was the largest national party until 2001 when Sinn Féin became more popular. |
| social dumping | Practice of reducing wages and lowering employment rights to maximise profits. |
| social engineering | Implementing policies, such as by adjusting tax rates and reliefs, to achieve a desired social outcome. |
| social enterprise | Business that is run for its benefit to society rather than for profit. |
| Social Enterprise UK | Global organisation on social enterprise. It works with corporate partners to support such enterprise. |
| social evil | Any factor that has a negative impact on society as a whole. The term is also specifically used to mean prostitution. |
| social exclusion | Sense that a person feels he or she no longer belongs by being excluded from elements of society through deprivation, such as through poverty or unemployment. |
| Social Fund | <p>Part of the social security system, largely designed to address need not otherwise covered.</p> <p>Certain maternity expenses, funeral expenses and cold weather payments may be paid almost as of right. Other payments are discretionary. Most payments are in the form of repayable loans, though some grants may be made. Awards are cash-limited by region, so an otherwise good claim may be refused on the grounds that the fund is exhausted.</p> <p>The main legislation is Social Security Contributions and Benefits Act 1992 s139.</p> <p>From April 2013, the Social Fund is abolished and replaced by locally administered assistance.</p> |
| social housing | <p>Accommodation that is provided on the basis of need rather than price.</p> <p>“Social housing is let at low rents on a secure basis to those who are most in need or struggling with their housing costs. Normally councils and not-for-profit organisations (such as housing associations) are the ones to</p> |

provide social housing." (Shelter website).

The policy for who qualifies is now made by local authorities under provisions of Localism Act 2011.

Provisions relating to annual tax on enveloped dwellings are given in Finance Act 2013 s150.

social investment

In relation to charities, the term is defined in Charities Act 2011 s292A as inserted by Charities (Protection and Social Investment) Act 2016 s15.

social investment tax relief (SITR)

Tax relief introduced from 6 April 2014 and revised from 6 April 2017. It allows individuals to claim income tax relief for investments in social projects.

The main elements are:

- it is only available to individuals, not to companies
- the individual may claim 30% of the sum invested against their income tax in the year of investment or in the previous year
- the investment must be held for three years or the tax relief is lost
- there is no capital gains tax on disposal
- any dividends or interest paid from the investment are subject to income tax
- the investee organisation must be for a defined and regulated social purpose
- the investee organisation must have fewer than 250 employees (500 before 6 April 2017) and assets of no more than £15 million
- an investee organisation must be cleared by HMRC before accepting investments under SITR
- an individual may invest in more than one social enterprise, provided the total of all such investments does not exceed £1 million
- from 2015, it is possible to invest through a social venture capital trust.

Changes made from 6 April 2017 are:

- the maximum amount of qualifying investment increases from a three-year rolling limit of €344,827 (about £250,000) to a maximum limit of £1.5 million over its lifetime
- the new investment limit applies to qualifying social enterprises up to seven years after their first commercial sale. Older social enterprises continue under existing rules
- the maximum number of full-time equivalent employees for a qualifying social enterprise is reduced from 500 to 250. This excludes volunteers
- the list of excluded activities is updated to exclude some low risk activities
- minor changes are made to meet EU requirements under the General Block Exemption Regulation.
- there is a change to allow for SITR investment in disabled nursing and residential care homes.

social lender

Lender to people with a poor credit history who cannot access loans from banks and similar sources and who would otherwise pay high interest rates

from doorstep lenders, payday loan companies or loan sharks. Social lenders are usually run on a non-profit basis.

social lending

Organisation or group which borrows and lends money in a less formal way, often by websites such as **Zopa**. Such bodies usually still need a consumer credit licence.

social media

Websites that allow people to exchange news and views. Popular examples include Facebook, Linked In and Twitter. They can be used for commerce, including **social shopping**, and charity.

social mobility

Movement of an individual up or down in a social hierarchy.

Social Mobility Commission

Body established by Child Poverty Act 2010 s8, and whose name was changed under Welfare Reform and Work Act 2016 s6.

social networking

Interaction between individuals for their mutual benefit.

social ownership

Euphemism for state ownership, such as nationalisation.

social science

Scientific study of human society and behaviour. It includes economics, sociology, anthropology and politics.

social security

Arrangements whereby the state makes payments to its citizens in need.
For tax, payments that replace income are generally taxed as if they were income (Income Tax (Earnings And Pensions) Act 2003 s661). Payments that meet need are generally free of income tax (ibid s656).

Social Security Advisory Committee

Body established under Social Security Administration Act 1992 s170.

social security benefits

Benefits paid to claimants under **social security** legislation.
Benefits may conveniently be classified as:

- contributions-related (such as jobseeker's allowance and state retirement pension) where entitlement depends on sufficient national insurance having been paid;
- non-contributory (such as anti-avoidance and state pensions for over-80s) where entitlement depends on meeting certain conditions; and
- means-tested (such as tax credits and incapacity benefit) which depends on the claimant having sufficiently low income.

social security contributions

Payments made by workers to fund **social security**. In the UK, this is the same as **national insurance contributions**.

social security fraud

Deliberately claiming social security benefits to which the person is not entitled.

From a date to be announced, the penalties are made much more severe.

The minimum penalty is the greater of £350 or 50% of the sum overpaid.

If convicted of an offence, the claimant is sanctioned for 13 weeks. For a caution or acceptance of a penalty, the sanction is four weeks.

For a second offence within five years, the sanction is 26 weeks. For a third offence, the sanction is three years.

If there has been no deliberate fraud, but benefit was overpaid because incorrect information was provided for which there is no reasonable excuse, a civil penalty of £50 is payable.

| | |
|---|---|
| social security functions | HMRC functions as set out in Finance Act 1989 s182(2A) in relation to disclosure of information. |
| social security income | Income from social security payments. For income tax purposes, the term is defined in Income Tax (Earnings And Pensions) Act 2003 s657. |
| social security legislation | In relation to staffing costs for research and development expenditure, this term is defined in Corporation Tax Act 2009 s1123(6). |
| social security lump sum | “A social security pension lump sum as defined in section 9 of the [Finance (No 2) Act 2005] Act” (PAYE regulations SI 2003 No 2682 reg 133A(1)). The regulations from reg 133A explain how such a lump sum is taxed. These provisions apply from 6 April 2006. |
| social service | Welfare work and any body that provides such work. |
| social shopping | Shopping that is based on social media such as discussions on what clothes are fashionable or go well together. |
| social wage | Economic term for the value of publicly-funded facilities provided to each citizen at no direct cost. These include health services, emergency services, defence, parks and libraries, police, education, roads and the suchlike. |
| social work professional | For data processing, this term is defined in Data Protection Act 2018 s204(2). |
| Societas Europaea (SE) | Form of European company created under EU Council Regulation 2157/2001 article 8. It may be registered in the UK when it becomes UK resident for corporation tax (Corporation Tax Act 2009 s16). The tax provisions for a group that includes an SE are given in Corporation Tax Act 2009 s770. |
| société anonyme | French: anonymous company. The term means a joint stock company. |
| Société à Responsabilité Limité | French: limited company. |
| Society of Trust and Estate Practitioners (STEP) | Professional body for trust and estate practitioners. STEP “is a unique professional body providing members with a local, national and international learning and business network focusing on the responsible stewardship of assets today and across the generations” (STEP |

| | |
|---|---|
| | website). |
| | Full members use the designatory letters TEP. |
| socioeconomic | Pertaining to both social and economic factors. |
| SOCO | Scene of crime officer, in police. |
| Socratic method | Method of conducting an argument by questions and answers. The term is named after the Greek philosopher Socrates (c470-399 BC). |
| Socred | Canadian term for a person or group espousing a policy of social credit. |
| sodomy | Former crime of engaging in homosexual or bestial activity. |
| Sod's law | Facetious observation that if something can go wrong, it will. |
| SOE | Special operations executive. |
| SOFA | Statement of financial activities. |
| soft commodity | Commodity which is not "hard". In practice this means any commodity which is not a metal, such as grain, pork bellies, cotton, wool and timber. |
| soft currency | Currency of a country which is economically weak. Such currency is often difficult to exchange for hard currency . Soft currency is rarely acceptable in international trade. |
| soft drink | For the purposes of soft drinks industry levy, "means — (a) a beverage of an alcoholic strength not exceeding 1.2%: (b) a liquid which, when prepared in a specified manner, constitutes a beverage within paragraph (a)" (Finance Act 2017 s26(1)). "A liquid is prepared in a specified manner if it is — (a) diluted with water (b) combined with crushed ice, or processed as to create crushed ice, (c) combined with carbon dioxide, or (d) prepared by way of a process that involves any combination of the processes mentioned in paragraphs (a) to (c)" (Finance Act 2017 s26(2)). |
| soft drinks industry levy (SDIL) | Levy imposed from 6 April 2018 on the soft drinks industry on products that contain a high level of added sugar. This is defined as 5 grams or more per 100 millilitres of drink (a typical can of drink contains 330 millilitres). There is a higher rate above 8 grams. The charge is not imposed for drinks with natural sugar, such as orange juice or milk. The higher rate is 24p a litre; the lower rate is 18p. The charge does not apply to drinks which naturally contain sugars, such as fruit juices. Nor does it apply to milk-based drinks or powders. It mainly applies to fruit squashes and fizzy drinks. The law is Finance Act 2017 from s25 and Sch 8. |

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|-------------------------------------|---|
| soft landing | Change in economic policy which does not have adverse consequences, either because the change is so managed or because provisions are made to mitigate any adverse consequences. |
| soft loan | Loan given at no interest or at a low rate. Loans to employees are often soft loans. Such loans can trigger an income tax charge as explained for beneficial loans . |
| soft skills | In human resources, those general qualities of a person that makes them suitable for a particular task or responsibility. |
| soft touch | Colloquialism for a person who can easily be persuaded to part with their money. |
| software | <p><i>Definition</i></p> <p>Programs and similar which run computers, as distinct from hardware which is the tangible equipment on which software runs.</p> <p><i>Capital allowance</i></p> <p>If bought outright, software can qualify for a capital allowance as plant. From 10 March 1992 this includes downloaded software. (Capital Allowances Act 2001 from s71).</p> <p><i>Customs duty</i></p> <p>As Customs duty is charged on goods and not on services, there is no duty on software alone. Where software is incorporated in a tangible product, such as CD or memory stick, the position generally is that no duty is usually payable on either the software or the medium on which it is held if the software was written for the client. Duty is generally payable on tangible products containing standard software.</p> <p><i>Accounting</i></p> <p>"Software development costs that are directly attributable to bringing a computer system or other computer-operated machinery into working condition for its intended use within the business are treated as part of the cost of the related hardware rather than as a separate intangible asset" (FRS 10 para 2).</p> |
| software or consumable items | For the purposes of allowable expenditure for research and development, this term is defined in Corporation Tax Act 2009 s1125. |
| soggy time | In management accounting, a colloquialism for the time allowed for breaks, disruptions and similar eventualities in determining how long a task will take. |
| sokaiya | Japanese term for a corporate racketeer who extracts money from companies by threatening to disrupt their meetings or expose scandals. |
| sol | (1) Currency of Peru, more correctly called the new sol. (2) Old French coin, worth one twentieth of a livre. |

(3) Abbreviation: solution.

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|---|---|
| solar panel | <p>A device fitted to a roof or similar place which can convert sunlight into electricity.</p> <p>When fitted to a residential or charitable building, it may qualify for the reduced rate of VAT under Value Added Tax 1994 Sch 7A Group 2.</p> <p>This is a form of microgeneration for which there are various tax reliefs.</p> |
| solar shading | <p>For capital allowance purposes, is treated as an integral feature, which means that it is included in the special rate pool and is subject to capital allowance at 8% on the writing down basis, and not the usual 18% for plant and machinery (Capital Allowances Act 2001 s33A).</p> |
| solatum | <p>Compensation for wounded feelings, disappointment, inconvenience or similar.</p> |
| soldier's friend | <p>Old term for someone who represents a soldier before an army pension board.</p> |
| sold loose | <p>Term used by retailers for items which are not pre-packaged but where the customer selects the quantity, such as fresh fruit and vegetables which are traditionally sold by weight.</p> <p>Such items must be capable of ready identification by the check-out staff, who can weigh the item and enter an appropriate code to determine the price.</p> |
| soldo | <p>Old Italian coin, worth one twentieth of a lira.</p> |
| sole | <p>Alone, single. In law, the term may mean unmarried.</p> |
| sole enterprise personal assets (SEPA) | <p>Proposed trading vehicle intended to protect the assets of a sole trader while not requiring his or her to incorporate as a limited company or limited liability partnership. It was suggested by the Office of Tax Simplification in a publication of February 2016.</p> |
| solera | <p>System of blending wines to make sherry.</p> |
| sole trader | <p>Simplest form of trading entity, comprising an individual who starts trading with no formalities at all other than registering the business with HMRC for income tax purposes.</p> |
| Sol Gen | <p>Abbreviation: Solicitor General.</p> |
| soliciting | <p>"It shall be an offence for a person aged 18 or over (whether male or female) persistently to loiter or solicit in a street or public place for the purpose of prostitution" (Street Offences Act 1959 s1(1)).</p> |
| solicitor | <p>Lawyer who deals directly with clients and generally instruct barristers (or advocates in Scotland) to represent them in court. The UK is one of the few</p> |

remaining jurisdictions which has this split in the legal profession.

Solicitors' work is traditionally divided into **contentious** and **non-contentious**. The former involves litigation; the latter such matters as preparing wills and conveyancing property.

A solicitor may be admitted or enrolled to have **right of audience** in the lower courts. A **Solicitor Advocate** has right of audience in the higher courts also.

Solicitors in practice are licensed by the **Law Society**.

For criminal work, a solicitor is "a type of lawyer who is trained to give advice and prepare cases and can defend (or represent) people in magistrates' courts" (website of Crown Prosecution Service).

Solicitor Advocate **Solicitor** who has acquired the same rights of audience in the higher courts as a **barrister**.

Solicitors Regulation Authority (SRA)

Body launched on 29 January 2007 to regulate **solicitors**.

It was previously the Law Society Regulation Board. The change of name reflects its greater independence.

solidarity group Group of borrowers engaged in **solidarity lending**.

solidarity lending Lending practice where small groups borrow collectively and members encourage each other to repay. They operate through **solidarity groups**. The group may acquire one loan from a bank, the funds from which are then shared among members saving on fees and charges.

solid fossil fuels Coal, petroleum coke, lignite, coke, and semi-coke of coal or lignite. The **carbon price support** rate of climate change levy is payable when these are used to produce electricity.

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

solidum Scots law: complete sum of money.

solidus (1) Roman gold coin introduced by Constantine, later called a bezant.
(2) Medieval silver coin worth 12 denarii.

Solomon Biblical King of Egypt, credited with great wisdom (1 Kings 3:5-15, The Bible) and to whom great wealth was given by God.

Solomon Islands Island country in Pacific Ocean. Its currency is the Solomon Islands dollar of 100 cents. The UK has a double taxation arrangement of 1950 as amended by an arrangement of 1974.

Solomon Islands dollar Currency of Solomon Islands.

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| Solr | Abbreviation: solicitor. |
| Solstice | Day when daytime and night-time are equal. In Britain this is 22 June and 22 December. |
| solum | Latin: ground. The term is sometimes used to mean a piece of land. |
| solus | Alone. The term is used in marketing to mean an advertisement that stands alone and not with other advertisements. A solus advertisement may attract a premium in the price. |
| solus account | Term sometimes used to mean accounts of an entity rather than one that pertains to its client. There is a restriction in an entity hedging certain foreign exchange in a solus account. This is discussed in the Inspectors' Manual at BIM39522. |
| solution set | In mathematics, the set of all the values that solve an equation. |
| solvency | Ability to pay debts as they fall due. |
| solvency statement | Statement made by the directors giving their opinion that the company is solvent. Such a statement may be required for a reduction in share capital under Companies Act 2006 s643. |
| solvent | Able to pay debts as they fall due. |
| Solvent Yellow 124 | Yellow dye used in all EU states to indicate road fuel on which hydrocarbon oil duty has not been paid. |
| solving problems | One of the three traditional functions of management. The other two are directing attention and keeping the score. |
| solvit ad diem | Latin: paid on the day. It is a defence to a claim that a bond, bill or similar was not paid when due. |
| solvitur ambulando | Latin: the question is resolved by action. |
| solvitur in modum solventis | Latin: money paid is to be applied according to the wish of the person paying it. |
| Som | Abbreviation: Somerset. |
| som | Currency of Kyrgyzstan. |
| Somalia | West African country. Its currency is the Somali shilling of 100 cents, though other currencies are also widely used. The UK has no double taxation treaty. |

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| Somali shilling | Currency of Somalia. |
| Somerset House | Large building in London by Waterloo Bridge. It was erected between 1776 and 1786 as a public building to house various public offices including tax offices. HMRC still uses part of the building. |
| somoni | Currency of Tajkistan, comprising 100 dirams. |
| sondage | Test borehole. By extension, an opinion poll. |
| SONIA | Sterling overnight interbank average rate. |
| sonse | Gaelic: good fortune. |
| son's or daughter's services allowance | Additional tax allowance available between 6 April 1935 and 5 April 1988 when a taxpayer was dependant on a son or daughter. Before 1978, it could only be claimed for a daughter. |
| SOP | (1) Significant other person, such as a live-in lover. (2) Standard operating procedure. |
| sop | Originally a piece of bread dipped in a liquid. By extension, the term means any gift or nominal concession. |
| SOR | Sale or return. |
| sorehon | Ancient Irish practice whereby a lord could extract free accommodation from a freeholder or tenant. |
| SORIE | Statement of recognised income and expenditure. |
| SORN | Statutory off-road notice. Such a notice can be filed with the DVLA to confirm that a vehicle is not being used on public roads and is therefore exempt from vehicle excise duty. |
| sonner | Old term for a person who lives off another; a sponger. The term comes from an old Scottish practice whereby a chieftain expected to be provided with free accommodation when he decided to revel with his tenants. |
| soroban | Form of Japanese abacus. |
| SORP | Statement of recommended practice; a statement which bodies in particular areas are expected to follow when preparing accounts. The term is defined in FRS 18 para 6. SORPs are produced for particular bodies such as the oil industry or charities. SORPs were unaffected by the adoption of FRS 102 in 2015. |
| sort code | Any code which is used to help sort data, particularly the sort code allocated to bank branches. This appears as three pairs of digits in the form 12-34-56. |

Since 1991, the allocation of numbers has been overseen by the British Bankers Association.


The first pair of digits identifies the bank, starting with 01 for some National Westminster branches. Scottish banks are given numbers in the 80s, and Irish banks in the 90s.

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| sortilege | Divination by drawing lots. |
| sorting office | Place where mail is sorted for onward delivery. |
| SOS | (1) ISO code for Somalian shilling. (2) International call for help. |
| SOT | (1) Share option trust (2) Stay-on tab. |
| sou | An old French coin worth 5 centimes. By extension, any low value coin or small amount of money. |
| soum | Scottish term for the proportion of pasture needed to graze one cow or its equivalent number of sheep. |
| sound insulation | 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. |
| sound recording | Corporation tax provisions are given in Corporation Tax Act 2009 from s150. "Sound recording does not include a film soundtrack" (ibid s152(1)(a)). Such expenditure is excluded from a degrouping charge under Corporation Tax Act 2009 s811. Income tax provisions are set out in Income Tax (Trading and Other Income) Act 2005 from s130. |
| source | In accounting, where money comes from. The main sources are capital, sales, borrowings, insurance claims and similar. |
| source and application of funds statement | Cashflow statement in a business's published accounts which states where funds came from and how they have been used. Unlike the profit and loss account and balance sheet, this statement is factual with no subjective element of opinion. |
| source code | Computer code that turns instructions into machine code. |
| source doctrine | Tax principle that income is taxed according to its source. The principle is explained in the Inspectors' Manual at BIM14065. |
| source document | Document which records details of a financial transaction, from which the prime books of account are kept. Source documents include invoices, |

remittance advices, payment advices, expense claims and petty cash vouchers.

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| source fund | In relation to overseas pensions, a ring-fenced transfer fund as explained in Finance Act 2004 Sch 34 para 1(6D) as inserted by Finance Act 2017 Sch 4 para 2). |
| source of mineral deposits | "Includes a mine, an oil well and a source of geothermal energy" (Capital Allowances Act 2001 s394(5) and s452(3)). |
| source principle | Tax principle that UK tax can be determined according to the source of the funds. The matter was considered by the Court of Appeal in the case <i>Ardmore Construction Ltd v HMRC [2018] EWCA Civ 1438</i> . |
| South Africa | African country. Its currency is the rand of 100 cents. The UK has a double taxation convention of 2002 and a protocol of 2010. It also has a double taxation agreement of 2002 amended by a protocol of 2010. |
| South Eastern Region | For purposes such as national insurance holiday , "means — (a) the counties of Buckinghamshire, East Sussex, Hampshire, the Isle of Wight, Kent, Oxfordshire, Surrey and West Sussex, and (b) the non-metropolitan districts of Bracknell Forest, Brighton and Hove, Medway, Milton Keynes, Portsmouth, Reading, Slough, Southampton, West Berkshire, Windsor and Maidenhead [,] and Wokingham" (National Insurance Contributions Act 2011 ss11(1)). |
| South Georgia | UK Overseas Territory administered from the Falkland Islands. It uses UK currency. |
| South Sudan | African country that gained independence from Sudan in 2011. Its currency is the South Sudanese pound of 100 piastres. The UK has no double taxation treaty. |
| sov | Sovereign. |
| sovereign | Coin Gold coin which remains legal tender for £1, though it has been replaced in everyday use by notes and other coins since 1914. It is now used as a bullion coin valued according to the price of gold. Sovereigns were first minted in 1489, but only those minted since 1838 remain legal tender. The VAT position is explained under gold coin . An unsuccessful attempt to use sovereigns for income tax avoidance was made in <i>Jenkins v Horn [1979]</i> . Monarch The office of monarch . The moment a monarch dies, the next in line succeeds to the throne. Under Interpretation Act 1978 s10, references to the sovereign mean whoever is the monarch, unless the Act specifically states otherwise. |

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| sovereign debt | Money owed by a state or government. From 20 March 1990, there are limits on the amount of tax relief a bank may claim in respect of such debts. |
| Sovereign Grant | State funding for the monarch and royal family from 2013. It replaces the previous Civil List under provisions of Sovereign Grant Act 2011. |
| sovereign repo liability | For the bank levy, this term is defined in Finance Act 2011 Sch 19 para 31(2). |
| Soviet | Council or ruling body, particularly that in Russia until 2001. |
| sovrän | Old or poetic form of sovereign . |
| SP | (1) Statement of practice. (2) In relation to corporation tax surcharge on banks, part of a formula quoted in Taxation (International and Other Provisions) Act 2010 s371B(2). (3) Starting price. |
| sp | (1) Sine prole. Latin: without issue. (2) Special. |
| S & P 500 | American share price index produced by Standard & Poor's reflecting the value of 500 largest US companies. It was started in 1957. It is the second most popular US share index after Dow Jones . |
| S & P Global 100 | World share price index produced by Standard & Poor's taking the share prices of the 100 largest multi-national companies. |
| SPA | (1) State pension age. (2) Special protection area. |
| spA | Societa per Azione. Italian: limited company. |
| Spaak Report | Report published in 1956 by a committee led by Paul-Henri Spaak. It led to the Treaty of Rome and the eventual formation of the European Union. |
| SPAB | Society for the Protection of Ancient Buildings. |
| space | (1) Room, area. (2) Area beyond the earth's atmosphere, usually defined as above the stratosphere. (3) Gap between letters and words. |
| space activity | "Means — (a) launching or procuring the launch or the return to earth of a space object or aircraft carrying a space object, (b) operating a space object, or (c) any activity in outer space". (Space Industry Act 2018 s1(4)). |

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| space bar | Long horizontal key at the bottom of a keyboard to insert a space into text. |
| spacecraft | It is possible to claim rollover relief from capital gains tax for such an asset. |
| spaceflight security | This term is defined in Space Industry Act 2018 s28(6). |
| space heater | For capital allowances, this may qualify as a feature integral to a building (Capital Allowances Act 2001 s33A). |
| spaceport | “Means — (a) a site from which spacecraft of carrier aircraft are launcher or (as the case may be) are to be launched, or (b) a site at which controlled and planned landings of spacecraft take place or (as the case may be) are to take place” (Space Industry Act 2018 s3(2)). |
| spaceport licence | “Means a licence under this section authorising a person to operate a spaceport ” (Space Industry Act 2018 s3(2)). |
| SPAD | Signal passed at danger. A term used on railways. |
| spade guinea | English gold coin minted between 1787 and 1799 where the crest on the reverse was spade-shaped. |
| spades | One of the four suits on a standard pack of playing cards. It is denoted by the symbol, printed in black:  |
| Spain | European country that is a member state of the European Union. The state includes the Balearic Islands, but excludes the Canary Islands, Ceuta and Melilla. Its currency is the euro of 100 cents, before which it was the peseta. The UK has a double taxation convention of 2013. |
| Spanish customs | Another name for Spanish practices . |
| Spanish practices | Irregular or restrictive practices by a group of workers, such as overmanning, non-cooperation and other forms of extending time to complete a task. The term dates back to 16 th century when Britons tended to have negative views about other countries. There is no particular evidence that Spanish workers are any more uncooperative than other races. However despite the apparent political incorrectness, the term remains in popular use. |
| spare part | Although spare parts are often sold as accessories, they are not so treated for tax purposes. A spare part is a stock item which can usually be treated as revenue expenditure for tax purposes. |

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| spare time | Leisure time. The time is sometimes used in employment to mean time when the employee is not required to do their usual tasks but may either relax or (particularly in software and creative industries) do work of their own choosing. |
| sparkling | Description of wine which is fizzy, or the process for achieving this. Provisions about rendering wine sparkling are set out in Alcoholic Liquor Duties Act 1979 s59. Cider is sparkling "if, due to the presence of carbon dioxide, the pressure in the bottle, measured at a temperature of 20 degrees C, is not less than 3 bars in excess of atmospheric pressure" (Alcoholic Liquor Duties Act 1979 s62A(2)). The definition also includes cider with a mushroom-shaped stopper, and cider with other similar characteristics. |
| sparkling wine | Wine which is carbonated or fizzy, such as Champagne. All wine is subject to alcoholic liquor duty . Sparkling wine is subject to a higher rate if its alcoholic strength is above 5.5%. |
| spatchcock | A fowl cooked immediately after being killed. By extension, the term means anything done hastily. |
| Spätlese | German term for a late harvest. It is also the name of a sweet white wine. |
| SPBP | Statutory parental bereavement pay. |
| SPC | (1) Reference for published decisions of the Special Commissioners . The reference is sometimes given in the form SpC . These decisions have been published from January 1995 to March 2009, when they were superseded by the TC decisions from tax tribunals . Decisions from April 2003 to March 2009 (numbers 362 to 738) are available on the tax tribunals website . These decisions set a persuasive precedent rather than a binding precedent. (2) Supplementary protection certificate. (3) Single person company. |
| SpC | Special Commissioners' decisions. |
| SPCK | Society for Promoting Christian Knowledge. |
| SPD | (1) Supplementary petroleum duty. (2) Sozialdemokratische Partel Deutschlands, German Social Democrat Party. |
| speakeasy | Private club that sells illegal liquor, particularly during prohibition in the USA between 1920 and 1933. They are also known as blind pigs or blind tigers. |
| speakerphone | Old term for a telephone where it is possible to hear and speak without using a handset. |

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| SPE | (1) Special purpose entity. (2) Prefix for HMRC's tax manual on Customs special procedures. |
| spec-built | Description of houses built speculatively, that is with no specific buyers in mind. |
| special administrative region | "The Hong Kong or the Macao Special Administrative Region of the People's Republic of China" (Income and Corporation Taxes Act 1988 Sch 25 para 5(4)). |
| special adviser | Person who is personally chosen by a politician to provide advice, and who becomes a civil servant. The term is fully defined in Constitutional Reform and Governance Act 2010 s15. |
| special advisers code | Code of conduct for special advisers to politicians (Constitutional Reform and Governance Act 2010 s8). |
| special agent | Person who has been given authority to act as agent for another person for one specific transaction. |
| special annual allowance charge | Income tax charge that may be imposed when a taxpayer's pension input exceeds an allowance. The tax provisions are set out in Finance Act 2009 Sch 35. |
| Special Areas | Term used in Special Areas Act 1931 to mitigate the worst of the economic crisis. The areas were South Wales, Tyneside, West Cumberland and Scotland. This provided funding for public works. |
| special auditor's report | In company law, a statement from a company's auditors that the company may submit abbreviated accounts (Companies Act 2006 s449). This report must be submitted with the abbreviated accounts. |
| special case exemption | Exemption from the provisions of optional remuneration arrangements as explained in Income Tax (Earnings and Pensions) Act 2003 s228A as inserted by Finance Act 2017 Sch 2. |
| special codes | Tax codes other than those in the form of number + letter, or a K code. The special codes are BR, D0, D1, NT, emergency code and emergency 1B codes. A full definition is given in PAYE Regulations SI 2003 No 2682 reg 7(3). |
| Special Commissioners | Appeal Commissioners (now abolished) who are legally trained to hear tax appeals. The other type of Commissioners were General Commissioners . They are both replaced by tribunals from April 2009. Since March 1995, Special Commissioners' decisions are made public. They are usually indicated by a reference such as "SpC 419" or similar. |
| Special Commissioners Regulations | Special Commissioners (Jurisdiction and Procedure) Regulations 1994. |

- special contribution** A capital levy charged between 1947 and 1948 on investment income over £250 at rates graduated from two to ten shillings in the pound.
- special crossing** Crossing on a cheque with a place or name of bank indicated. Such a cheque may only be cashed at that place or bank. Special crossings are now rare.
“Where a cheque bears across its face an addition of the name of a banker, either with or without the words ‘not negotiable’” (Bills of Exchange Act 1882 s76(2)).
- special cumulation** An imaginary total used in calculating the **ten-yearly charge** on certain trusts for inheritance tax purposes. The figure is the total of:
- the total of the settlor’s chargeable transfers in the seven years before the commencement of the settlement; and
 - the amounts on which the **exit charge** has been imposed in the previous ten years.
- special Customs procedure** “In this Part, “special Customs procedure” means —
(a) a storage procedure,
(b) a transit procedure,
(c) an inward processing procedure, or
(d) an authorised use procedure or temporary admission procedure”
(Taxation (Cross-border Trade) Act 2018 s3(5)).
- special deposit** Large sum of money which may be deposited with the Bank of England.
- special destination** Provision under Scots law whereby a person does not inherit properly jointly held with a former husband and wife who dies (Family Law (Scotland) Act 2006 s19).
- special discount** In retail, a discount which is offered to promote a product, such as **buy one get one free**, or the cheapest of three items is free. An **EPOS** system must have special software to cope with such offers.
- special drawing rights (SDR)** The equivalent of a currency used by the **International Monetary Fund (IMF)**. It has the **ISO code** of XDR.
The SDR is defined as basket of currencies which is periodically revised. For the period 2006-2010, it comprises 44% US dollar, 34% euro, 11% Japanese yen, and 11% British pound sterling.
SDR was developed to replace gold as a unit of international transactions. For this reason SDR has sometimes been called **paper gold**. SDR are credits which nations may draw on as required. In reality it exists only as ledger entries.
The SDR has lesser uses in that financial instruments are denominated in SDRs and some countries have pegged their currencies against the value of the SDR. Some international prices are denominated in SDRs.
- special educational needs (SEN)** Requirements of a child beyond those of a normal education. They are given

in Education Act 1996 Part 4 Chapter 1.

- special enactment** Act of Parliament which specifically amends a company's constitution (Companies Act 2006 s34(4)). A company is required to notify Companies House of such an enactment.
- special film relief** In relation to provisional entitlement to film loss relief, the term is defined in Corporation Tax Act 2009 s1212(1).
- special guardian** Person so appointed under Children Act 1989 s14A.
- special guardianship order** Court order that sanctions children being looked after by relatives when removed because of suspected abuse.
- special hospital** Hospital designed to contain mental patients who are dangerous.
- specialia generalibus derogant** Latin: special words derogate from general ones.
- special indorsement** When a **bill of exchange** has been **indorsed** to a specified person (Bills of Exchange Act 1882 s34(2)).
- Specialist Personal Tax Senior Management Board**
Part of HMRC. Its function is set out in HMRC Notice of 20 December 2013.
- specialist printing equipment** Equipment that may be used to produce a counterfeit banknote or a forged document such as a passport. It is an offence to provide such equipment without authority under Specialist Printing Equipment and Materials (Offences) Act 2015 s2, which defines such equipment.
- special leasing** Leasing other than as part of a business.
The tax provisions are set out in Capital Allowances Act 2001 s19. Special leasing of plant and machinery is set out in Capital Allowances Act 2001 from s258.
The matter is further explained in statement of practice SP 3/91.
- special licence** *Amusement machine licence duty*
One of the three types of licence for this duty. (The other two are the **premises-based licence** and the **bulk licence**.)
This is issued for periods of 12 months for each gaming machine that offers prize of up to £10, provided that there at least ten such machines on the premises.
Marriage
Licence that may be issued by the Archbishop of Canterbury under Canon B34 to allow a person to marry in the Church of England without having banns called.
- Special Liquidity Scheme** Government-backed scheme introduced in April 2008 by the Bank of England "to expand the collateral to high-quality **mortgage-backed securities** that banks could use to give to the Bank of England in return for sterling.

Previously the banks could use government bonds only as collateral" (Beyond the Crash, by Gordon Brown MP, published by Simon & Schuster).

special lump sum death benefits charge

"A charge to income tax, to be known as the special lump sum death benefits charge, arises when —

- (a) a pension protection lump sum death benefit,
- (b) an annuity protection lump sum death benefit,
- (c) a drawdown pension fund lump sum death benefit, or
- (d) a flexi-access drawdown fund lump sum death benefit,

is paid by a registered pension scheme in respect of a member who had reached the age of 75 at the date of the member's death"

(Finance Act 2004 s206(1)).

The charge is 45% (Finance Act 2004 s206(4)).

The term is also used in Finance Act 2004 s206.

special method

For **partial exemption** for VAT, a method for working out how much residual input tax a business can reclaim if the standard method does not produce a fair and reasonable result. HMRC must provide approval to use a special method.

special mixed funds rules

The rules that allow employees who do some work overseas to use a simpler system than the normal mixed fund rules. The special mixed fund rules are set out in Income Tax Act 2007 ss809RA to 809RD. They put statement of practice SP1/09 on to a statutory basis.

Guidance on these rules was given by HMRC in Notice 27 of 27 June 2013.

special offer

Temporary price reduction or similar (such as 3 for the price of 2) designed to increase sales.

special presentation

A service to inform a customer paying in a cheque that the payer's bank will make the payment. This does not reduce the time taken for the cheque to clear - this will still take three working days.

special purpose companies

"Where the operations of a business are capable of being dividend among several companies, each undertaking a particular project. As each project or contract comes to an end, the company is liquidated and the profits and gains of that project are realised in a capital rather than income form" (HMRC consultation paper on company distributions, 9 December 2015).

special purpose entity (SPE)

Another name for a **special purpose vehicle**.

The accounting treatment is set out in FRS 102 sections 9.10-9.12.

special purpose financial report

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

A special purpose financial report is prepared by the entity itself in a form specified for the purpose. Examples include regulatory reports, tax

computations and reports for banks.

special purpose framework In auditing, a purpose for which an audit is required other than to comply with a statutory requirement. This includes producing accounts for a tax return.

Such audits are subject to auditing standards 80 and 805 issued in October 2016.

special purposes In relation to data processing, these are journalism, academic work, artistic work and literary work (Data Protection Act 2018 s174). The following sections give some provisions regarding data protection.

special purpose vehicle (SPV) A company, trust or other body set up solely for a particular financial transaction.

The main uses of an SPV are:

- to take a financial transaction offshore,
- for risky procedures such as securitisations or catastrophe bonds,
- to remove assets or liabilities from the balance sheet.

Typically the owner is not the company that creates it, but a third party. Its stated objective will usually be a charitable purpose.

SPVs were widely used by Enron before it collapsed. The accounting rules for SPVs have since been tightened up.

special rate In relation to capital allowance, means the lower rate for plant and machinery. This is 8% from April 2012, and 10% previously.

special rate expenditure Expenditure on assets that qualify for the 10% rate (8% from April 2012) of capital allowance for plant and machinery (Capital Allowances Act 2001 s104D).

special rate pool In tax, the written-down value of long-life assets from April 2008. The term is defined in Capital Allowances Act 2001 s104C.

In April 2008, the system for capital allowances changed. Before 1 April 2008, most plant and machinery was written down at an annual rate of 25% a year on the reducing balance method, except for long-life assets which were written down at 6%. Plant and machinery was recorded in a pool which did not distinguish between assets, whereas long-life assets were written down separately.

The system of capital allowances introduced from 1 April 2008, broadly replaces the 25% and 6% rates with 20% and 10% respectively, and allows long-life assets to be put into their own pool. This is called the special rate pool to distinguish it from the pool which is written down at 20%.

From April 2012, the rates are further reduced to 18% and 8%.

special rates for trustees' income

Special rates of income tax that apply to trustees' income. The provisions are set out in Income Tax Act 2007 from s479.

special register

Term used in Companies Act 2006 s893 for a register additional to the **register of charges**, which has **information-sharing arrangements**.

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| special register body | Organisation similar to a trade union set up before 16 September 1974 under Industrial Relations Act 1971. Some transitional provisions apply under Trade Union and Labour Relations (Consolidation) Act 1992 s117. |
| special relief | Relief introduced from 1 April 2011 to allow an excessive assessment or determination to be displaced when the normal time limit has expired. It replaces equitable liability that applied previously. |
| special repayment rate | Rate of interest that may be applied to a tax judgment debt under Finance (No 2) Act 2015 s52. It is two percentage points above the base rate. |
| special resolution | In company law, a decision of shareholders which requires at least 75% of them to vote in favour (Companies Act 2006 s283(1)). |
| special seal | A trader seal that HMRC may allow a trader to use as a replacement for an official Customs seal. Details are given in Customs notice 205. |
| special subsidy | In tax, a special charge initially made in 1473 on goods and chattels, but which could be extended to freehold land. This tax was never properly collected. |
| special tax credit | Provision that relates to aggregates levy in Northern Ireland (Finance Act 2001 s30B). |
| special television relief | “Means — (a) television tax relief, or (b) relief under section 1216DC (transfer of terminal losses from one relevant programme to another” (Corporation Tax Act 2009 s1216E(1)). |
| Special Territories | Countries or areas that are effectively part of the customs territory of the EU but not part of the fiscal (excise duty and VAT) territory. Goods imported from these territories are liable to VAT and excise duty (if appropriate) unless they are eligible for a relief. These territories are: the Åland Islands; the Canary Islands; the Channel Islands; French Guiana; Guadeloupe; Martinique; Mount Athos and Reunion. Andorra has a union with the EC for goods in chapter 25 to 97 of the Tariff only. |
| special trust | For charities, property that is held for specific property (Charities Act 2011 s287). |
| special trust rates | Another term for rate applicable to trusts (RAT) . |
| special verdict | Verdict that a person committed a criminal offence but was insane at the time (Trial of Lunatics Act 1883 s2). Acquittals on the ground of insanity may be made under Criminal Procedure (Insanity and Unfitness to Plead) Act 1991 s1. Procedures are governed by Criminal Procedure (Insanity) Act 1964 s5. |

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| special video games relief | In relation to video games tax relief, “means — (a) video games tax relief, or (b) relief under section 1217DC (transfer of terminal losses from one video game to another)” (Corporation Tax Act 2009 s1217E(1). |
| special warranty | Undertaking or assurance provided by a guarantor under a contract. |
| specie | Money in the form of coins. |
| specific bequest | Bequest of a specific item of property other than land, made in a will. An example is leaving a grandfather clock to a named grandson. |
| specific devise | In executorship, a specific piece of land which is left to someone in the will. Note that the second word is spelled with an S. |
| specific duty | Duty based on a unit quantity (for example litre or kilogram) of the imported goods. |
| specific employment income | Tax term for any amount which counts as employment income excluding exempt income. In practice, this relates to certain notional charges to income tax which arise on ownership of the employer’s shares. |
| specific grant | Payment from the Government to cover local-authority spending on a particular service or project. Specific grants are usually a fixed percentage of the costs of a service or project. |
| specific gravity | Ratio of weight of liquid to the same quantity of water, which has a specific gravity of 1000. For example, beer duty was charged for a specific gravity between 1016 and 1030 with additional duty for each degree above. Before 1 June 1993, the excise duty on beer was calculated according to its specific gravity. Customs notice 226 explains how specific gravity, now known as present gravity , may still be used for this purpose in some circumstances. |
| specific identification | Inventory method where each sale is matched directly to its purchase. Such a method is only used for large-value items or low-volume sales. |
| specific legacy | When a specific item of property is left to someone in a will. |
| specific performance | Requirement that a person must perform their duties under a contract. It is only imposed when damages are not an adequate remedy for breach. |
| specific purpose financial statements | Documents containing accounting information which is prepared for a particular purpose and is not normally available to a wider audience. |
| specified accommodation | Term used in relation to claims for universal credit. It basically comprises: <ul style="list-style-type: none">• accommodation provided by a housing association, charity or local council where care or supervision is needed, and• temporary accommodaton for people escaping domestic violence. |

It is one of the Gateway conditions.

specified disclosure obligations

Disclosure requirements relating to **insider trading**.

They are listed in Proceeds of Crime Act 2002 Sch 9 para 1(6).

specified percentage

Figure used in the calculation of the **default surcharge** for VAT.

The term is defined in Value Added Tax 1994 s59(5).

specified steps

Provisions that must be made with regard to a historic building, work of art, scientific collection or similar as a condition of its being a **conditionally exempt transfer** for inheritance tax.

The steps must be adequate to ensure the maintenance, repair, preservation of and public access to the asset (Inheritance Tax Act 1984 s31(4A)).

specified supplies

Supplies specified by Treasury Order which are not **taxable supplies**, but which carry the right to recover input tax incurred in making them.

| For deaths from | Amount |
|-----------------|----------|
| 6 April 2004 | £150,000 |
| 6 April 2002 | £100,000 |
| 6 April 2000 | £75,000 |
| 6 April 1996 | £50,000 |

A specified transfer is a transfer made in the seven years before death of cash and quoted shares or securities. If the disposal was made to the same person at the same time, it also includes an interest in land and chattels.

specimen charges

Criminal charges that represent a large number of offences. If a person has committed 1,000 similar tax offences, he or she is likely to be charged only with a few specimen charges.

spectemur agendo

Latin: let us be judged by our acts.

speculate

In commerce, buying and selling with a view to making a profit.

speculative cost

Any cost incurred without knowing whether it will lead to a **return**. If the cost does not lead to a return, it is known as an **abortive cost**.

For VAT, these terms are specifically used to mean the cost of finding sites for possible building development. A speculative cost is regarded as a genuine business expense on which **input tax** may be reclaimed. If a developer later decides to proceed with an aborted scheme, it may be necessary to apportion the **abortive cost** between business and non-business

use and disallow the latter.

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| speculator | Person who invests money, particularly where both the risk and desired return are high. |
| speed dating | Practice of attending an organised meeting where attendees have a series of short meetings with other attendees. |
| speed dialling | Function of modern telephones whereby commonly used telephone numbers can be stored in a memory so that the number may be called by pressing one or two keys rather than eight or more. |
| speedway rider | <p>A speedway rider may retire on a personal pension at the age of 40, provided:</p> <ul style="list-style-type: none">• the person had the right by 5 April 2006,• the right was unqualified in that it needed no other person to consent,• the right was set out in the governing documentation of the pension scheme by 10 December 2003. <p>(SI 2005 No 3451, as explained in the Inspector's Manual at RPSM 03106035).</p> |
| Speenhamland | System of outdoor poor relief pioneered by magistrates in this Berkshire town in 1795 and which was widely used elsewhere. |
| spend | Pay money in return for goods, services or similar benefit. |
| spending envelope | "The overall level of public spending. This is set out as part of the Budget and allocated to pay for all areas of Government activity as part of the Spending Review" (HM Treasury glossary). |
| Spending Review | Process that "[sets] firm and fixed multi-year budgets for government departments. They outline the improvements that the public can expect from government spending" (HM Treasury glossary). |
| Spenglerian | Relating to the German historian Oswald Spengler (1880-1936) who believed that all civilisations are subject to the same inevitable cycle of growth and decline. |
| sperm donor | Under HFEA directions, a donor may not be paid for donating sperm but may have reasonable expenses refunded. These include travel expenses and childcare. Further details are given in HFEA Code of Practice para 13. |
| spes successionis | <p>Latin: hope of succession.</p> <p>The term often refers to the next of kin of a person believed not to have made a will.</p> |
| SPF | Significant people function. |
| SPFL | Scottish Professional Football League. |
| SPG | Special Patrol Group |

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| spgr | Specific gravity. The abbreviation is sometimes given as sp gr. |
| SPI | Survey of Personal Incomes, a government publication. |
| SPIC | Simplified Procedure for Import Clearance, a simplified procedure for Customs clearance of imported goods of a value not exceeding £600. This procedure was withdrawn on 1 October 2003. |
| SPICe | Scottish Parliament Information Service. |
| spiff | Colloquialism for a large commission paid to a shopworker for selling an item regarded as unsellable. |
| spillage | Accidental loss of liquid. There are special reliefs from alcoholic liquor duty for spillages. |
| spinner device | <p>Any device fitted to a car to enable a disabled person to turn the steering wheel. It can be as simple as fixing a knob to the wheel.</p> <p>The presence of such a device is sufficient to justify the zero-rating of a vehicle as for the disabled under Value Added Tax 1994 Sch 8 Group 12 Item 2A.</p> <p>This was held in the case <i>Dennis George Bunning and Christina Denise Bunning. TC 1730 [2012]</i>. This case also held that the restrictions quoted by HMRC in VAT notice 701/59 were stricter than the law allowed.</p> |
| spinster | <p>Woman who has never married. Her marital status is therefore single.</p> <p>The male equivalent is bachelor.</p> |
| SPIR | Prefix for HMRC spirits production manual. |
| spiral binding | The use of spiral binding can determine whether a product comes within the scope of a VAT zero-rated book. An example is in the case <i>Harrier LLC. TC 1562 [2011]</i> . |
| Spirit Drinks Verification Scheme (SDVS) | <p>“Measure designed to safeguard the reputation and authenticity of UK produced spirit drinks with a geographical index (GI)” (HMRC website).</p> <p>The Scheme implements EU regulation 110/2008. It started on 10 January 2014.</p> <p>HMRC devised and administered the scheme, but it is enforced by food authorities and port health authorities.</p> |
| spirit duplicator | <p>Early form of duplicator where text was typed onto paper over a sheet of coloured wax to make a reversed image on the back. An alcohol-based spirit was used to take copies from this.</p> <p>It was invented in 1923 and widely marketed by Roneo and Banda. They fell from use from the 1970s when simpler, cleaner, better quality and cheaper copies could be produced on photocopiers.</p> |

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| spirit master | The original sheet from which copies were made in a spirit duplicator . |
| spirit production premises | Whisky distillery, or other premises where potable spirits are produced. Guidance is given in Customs notice 39. |
| spirits | <p>Generically, the word means any distilled liquid or an organic liquid used in large quantities, like petrol and paraffin.</p> <p>For tax, the term usually means any alcoholic drink whose production involves distillation. Common spirits include whisky, gin, rum, vodka and brandy. The term also applies to mixtures which include these drinks, such as alco-pops.</p> <p>It must either have a strength exceeding 1.2% or be combined with such liquor of such strength (Alcoholic Liquor Duties Act 1979 s1(2)). There are exceptions for methylated spirits, angostura bitters, methyl alcohol and other liquids as defined by Treasury order.</p> <p>Spirits are subject to the excise duty on alcoholic liquor at the highest rates. From 1 January 1980 duty is calculated as so much per litre according to the alcoholic strength. Spirits are also subject to value added tax.</p> <p>From 1 April 2006 all spirits must display a duty stamp.</p> <p>Spirits duty was introduced in 17th century.</p> |
| spirits of wine | "Means plain spirits of a strength not less than 80% manufactured in the United Kingdom" (Alcoholic Liquor Duties Act 1979 s4(1)). |
| spirits receiver | <p>Part of the still in which spirits are distilled.</p> <p>Customs notice 39 states that, unless the receiver is approved as a warehouse vat, remnants in a spirit receiver must be collected and removed before any newly produced spirits are put in.</p> |
| spiritual welfare | A form of welfare services that may be zero-rated. Details are provided in VAT leaflet 701/2. |
| spiv | <p>Originally a shady character who lives by his wits without working. This meaning dates from 1890.</p> <p>In the second world war, the term came to mean someone who could obtain goods otherwise rationed or unavailable.</p> |
| SPL | <p>(1) ISO code for Seborga luigino.</p> <p>(2) Scottish Premier League, now replaced by Scottish Premier Football League.</p> <p>(3) Shared parental leave.</p> |
| splash | Make a financial impact, such as by extravagant spending. |
| split approval | Situation where a retirement benefit scheme had only part approved under Income and Corporation Taxes Act 1988 s611. Under current tax law, only the approved part is now regarded as a registered pension scheme. |

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| split capital trust | Investment trust that has several types of security with different investment profiles. Another name for a split-level trust . |
| split commission | Commission which is divided between two or more people. |
| split-level trust | Unit trust where the shares do not attract both capital growth and income. These elements are sold separately as capital shares and income shares respectively. |
| split payment | Payment which is made in more than one instalment or by more than one instrument. The term is also used as one of alternative payment arrangements for universal credit. Split payment allows a payment of universal credit for a couple to be split with each partner receiving a share. Such an arrangement is reserved for exceptional cases, such as where there is domestic violence or the partner receiving the benefit is not managing the finances properly. |
| split scheme | For payroll, arrangement whereby the payroll is run in two or more parts and where it is impossible or impractical for those parts to be consolidated for the purposes of PAYE reporting under real time information . There are special provisions to cope with such schemes. |
| split shift | Shift of work that is divided into two periods, such as in the morning and evening. |
| split the difference | Means of settling a dispute about money by taking the average of the last figures suggested by each side. |
| splitting of supplies | Practice of making a single supply into two supplies, so one benefits from a more favourable treatment for VAT. A common example is providing a zero-rated book separately from an exempt supply of education. From 19 July 2011, such splitting is ineffective under Value Added Tax Act 1994 Sch 8 Part 2 Notes (2) and (3) as added by Finance Act 2011 s75. |
| split up | Ending of a marriage, partnership or other group. |
| split-year treatment | Arrangements by which UK residence or non-residence is determined for a taxpayer in which he leaves or arrives in the UK. This was largely addressed in extra-statutory concessions A11, A78 and D2. It is subsumed into the statutory residence test from April 2012. |
| splog | In computing, a website that is generated and maintained automatically. |
| SPM | Prefix for HMRC's statutory payments manual. |
| spm | Strokes per minute, typing speed. |
| SPOC | Single point of contact. |

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| spoiled stamp | For stamp duty, a provision that allows repayment when the document fails to achieve its purpose. The procedure is given in Stamp Duties Management Act 1891 s9. |
| spoils | Booty, prize or similar acquisition such as from a defeated enemy. |
| spoilt beer | Beer which "has become spoilt or otherwise unfit for use" (Alcoholic Liquor Duties Act 1979 s46). Such beer may have its beer duty remitted or repaid. |
| spoilt cider | Cider which "has accidentally become spoilt or otherwise unfit for use and.... has been returned to the maker" (Alcoholic Liquor Duties Act 1979 s64(1)). Cider duty may be remitted or repaid on spoilt cider. |
| spoilt wine | Wine or made-wine which "has accidentally become spoilt or otherwise unfit for use and... has been returned to the producer" (Alcoholic Liquor Duties Act 1979 s61(1)). Wine duty may be remitted or repaid on spoilt wine. |
| spolia optima | Latin: the richest spoils. This means the greatest prize from a defeated enemy. |
| spoliate | Despoil, plunder. |
| spondulicks | Slang term for money. The word has alternative spellings. |
| sponge | To live off someone else. The allusion is to a sponge soaking water. |
| sponging house | Place where debtors were held for 24 hours before being sent to prison. |
| sponson | Act of becoming a surety for another by agreement or promise. The term is particularly used when an individual accepts liability for his or her government. |
| sponsored walk | <p>Walk organised by a charity to raise funds.</p> <p>For VAT purposes, the funds raised are outside the scope of VAT unless the participant receives a benefit. VAT notice 701/1 states that HMRC does not regard any of the following as providing a benefit:</p> <ul style="list-style-type: none">• free training and health advice,• free T-shirt, running vest or similar that identifies the charity,• free massages and support for physical well-being,• free pre-event meeting, which may include free professional advice and support, a simple meal, energy drinks and encouragement,• free post-event meeting, which may include medical treatment or advice, changing facilities, light refreshments and an opportunity for the charity to thank participants,• a reasonable prize for top fund-raisers. <p>Any entry fee or participation fee payable by participants is a standard-rated supply.</p> <p>These provisions apply to similar sponsored events.</p> |
| sponsoring employer | In relation to an occupational pension scheme means the employer, or any of the employers, to or in respect of any or all of whose employees the pension |

scheme has, or is capable of having, effect as to provide benefits.

The term is defined in Finance Act 2004 s150(6) and in the Inspectors' Manual at RPSM02200040.

sponsorship

A commercial arrangement whereby a business provides funds in return for receiving a perceived benefit. The benefit is usually either marketing or reputation enhancement.

The extent to which this is a tax-deductible expense is discussed in the Inspectors' Manual at BIM 42555. HMRC will always check to see that the sponsorship of a small business is not just a cover for a director to indulge a personal interest.

The allowability of entertainment at sponsored events is discussed at BIM 45055.

When used in relation to sponsoring a charity, it should be remembered that the arrangement is commercial and not altruistic. The sponsor is paying to buy a benefit, and is not making a charitable donation.

The word is also used for agreeing to pay a sum to someone undertaking an activity to raise funds, such as agreeing to pay someone £10 if they run a marathon.

spoofing

In investment, the practice of placing phantom orders to buy or sell a large quantity of shares or other securities to move the price up or down.

sport

The advancement of amateur sport is an object for which a charity may be formed.

Sport "means sports or games which promote health by involving physical or mental skill or exertion" (Charities Act 2011 s3(2)(d)),

The Charity Commission has held that bridge meets this definition but that gun clubs do not.

sporting testimonials

Another name for **sports testimonial**.

sports drinks

For VAT, these are generally zero-rated as food, though there are exceptions as set out in VAT leaflet 701/14.

The exception, which is standard-rated, is "sports drinks that are advertised or marketed as products designed to enhance physical performance, accelerate recovery after exercise or build bulk, and other similar drinks, including (in either case) syrups, concentrates, essences, powders, crystals or other products for the preparation of such drinks" (Value Added Tax 1994 Sch 8 Group 1 Note 4A as inserted by Finance Act 2012 s196 and Sch 26 para 2(2) with effect from 1 October 2012).

sports facilities

When such facilities are provided by an employer, they may be exempt from tax under Income Tax (Earnings And Pensions) Act 2003 s261.

sports grounds

Safety at such grounds may qualify for a capital allowance (Capital Allowances Act 2001 from s30).

Sports Ground Safety Authority

Body established under Sports Ground Safety Authority Act 2011 as a successor to the Football Licensing Authority.

sports league

For VAT, such services are generally standard-rated, as explained in HMRC Brief 4/11. The leagues are not providing an exempt supply of land use.

sports pavilion

A sports pavilion provided for staff could qualify for industrial buildings allowance under Capital Allowances Act 2001 s275. This allowance was phased out by 2011.

sportsman

Provisions relating to a visiting sportsman are given in Income Tax (Trading And Other Income) Act 2005s13.

sports testimonial

Sports event, concert or other fund-raising activity for the benefit of a person, such as on their retirement. As such money is considered to be a personal gift, and so does not attract tax, following the decision in *Reed v Seymour [1927]*. If the person has a contractual right to the testimonial, it is taxed as employment income.

Such testimonials are taxed from 6 April 2017 on the amount by which they exceed £50,000, provided the testimonial was awarded after 24 November 2015. Details of these changes are given in Finance Act 2016 Sch 2 which amends Income Tax (Earnings and Pensions) Act 2003 Part 7A Chapter 2.

sportswoman

Female **sportsman**.

spot cash

Cash paid immediately for a sale.

spot check

Check made at random without notice.

Spotlight

Term used by HMRC to indicate a tax planning scheme being investigated. Spotlight 1, for example, relates to goodwill acquired by companies from businesses that traded before 1 April 2002.

Spotlights also provide **hallmarks** of tax planning of which taxpayers should be wary.

spot market

Another name for **cash market**.

spot price

Price for buying something and paying in cash immediately.

spot-the-ball

Competition where participants must guess the location of a football in a photograph.

If the competition is to identify the actual position of the football before the photograph was edited, this is **pool betting** subject to **pool betting duty**. It is not pool betting if the answer is to be decided by a panel of judges (Customs notice 147).

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| spousal exemption | Exemption from inheritance tax when someone inherits from a spouse or civil partner. |
| spouse | <p>Husband or wife in marriage. Although the term does not include civil partner, in practice all tax provisions relating to spouses relate to civil partners also.</p> <p>There are many tax provisions that relate specifically to spouses, including:</p> <ul style="list-style-type: none">• transfers between them are exempt from inheritance tax;• transfers between them are treated as being for no gain or loss for capital gains tax• they are associated persons for many tax avoidance provisions• older couples may qualify for married couple's allowance for income tax• couples may transfer one tenth of their personal allowance from 2015. |
| spouse or civil partner | In relation to inheritance tax on an initial interest of settlor or spouse or civil partner, this term is defined to include the widow, widower or surviving civil partner of a settlor (Inheritance Tax Act 1984 s80(2)). |
| SPR | <p>(1) Small profits rate, of corporation tax.</p> <p>(2) Society for Physical Research.</p> |
| sprat to catch a mackerel | Cliche meaning to take a small risk in the hope of a large gain. A sprat is a fish like a herring but much smaller. |
| spread | Difference between buying and selling prices. In other contexts, this is also known as gross profit or turn . |
| spreading | Action of allocating income or expenditure over more than one accounting period. For tax, this is permitted for long-term work such as building contracts or the creation of artistic works. |
| spreading election | <p>Election made by a taxpayer under Finance Act 2002 Sch 22.</p> <p>Where there has been a change of tax law affecting an accounting period start ends after 31 July 2001, the taxpayer may be able to make an election to spread the consequential adjustments over six accounting periods. The matter is discussed in the Inspectors' Manual at BIM34120.</p> |
| spreadsheet | Table in which data may be recorded and analysed, and from which other data may be calculated or otherwise determined. The Microsoft Excel spreadsheet is the most popular form. It is widely used in accounts and tax computation. |
| spreadsheet Phil | Nickname given to Chancellor of the Exchequer Philip Hammond MP. |
| spreagh | Gaelic term for a cattle raid. |

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| Spring-Rice, Thomas | Irish-born Whig politician (1790-1866) who was Chancellor of the Exchequer from 18 April 1835 to 26 August 1839. |
| sprinkler | 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. |
| spritzer | Mixture of white wine and soda water. If sold already mixed, it is subject to alcoholic liquor duty for wine. |
| sprocket | Tooth on the rim of a wheel or capstan for driving a film or accordion-fold computer paper. If tax returns are provided on computer paper, the sprockets on each edge should be removed before submission to HMRC. |
| spruce beer | Form of black beer which is exempt from alcoholic liquor duty (Alcoholic Liquor Duties Act 1979 s4(1)). |
| SPS | Single payment scheme , to farmers under the common agricultural policy. |
| SPUC | Society for the Protection of the Unborn Child. |
| spudding | Process of starting to excavate for oil. |
| SPV | (1) Special purpose vehicle . (2) Simplified Procedure Values. This is a special system for valuing certain fresh fruit and vegetables for Customs purposes. |
| sp vol | Specific volume. |
| spying | This is a criminal offence under Official Secrets Act 1861 s1. |
| spyware | Computer software that gathers information from data provided by a user. |
| sq | Square. |
| SQA | Scottish Qualifications Authority. |
| SQC | Scottish Qualifications Certificate. |
| sq ft | Square foot . |
| sq in | Square inch . |
| SQL | Structured query language . It can also denote standard query language, which has the same meaning. |
| sq m | Square metre . |

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| sqn | Squadron. |
| Sqn Ldr | Squadron leader. |
| squail | Counter used for playing games. |
| squander | Spend wastefully. |
| square deal | Fair deal. |
| square foot (Sq Ft) | Unit of area equal to a square where each side is one foot long. A square foot equals 144 square inches or 929.03 square centimetres. There are nine square feet to a square yard. |
| square inch (sq in) | Unit of area equal to a square where each side is one inch long. There are 144 square inches to a square foot, and 1,296 to a square yard. There are 6.45 square centimetres to a square inch. |
| square matrix | Matrix with as many rows as columns. |
| square metre | Unit of area of equal size to a square where each side is one metre long. It is an SI derived unit with the symbol m ² . A square metre equals 1.196 square yards or 10.764 square feet. There are 10,000 square metres to a hectare. |
| square mile | Unit of area of equal size to a square where each side is one mile long. A square mile equals 640 acres or about 259 hectares. |
| square peg | In human resources, a person who is not appropriate for their job though they may otherwise be competent. The term comes from the expression "a square peg in a round hole". |
| square yard (sq yd) | Unit of area of equal size to a square where each side is one yard (three feet) long. A square yard equals nine square feet, 1,296 square inches or 0.836 square metres. There are 4,840 square yards in an acre. |
| squash player | A squash player may retire on a personal pension below the age of 50, provided: <ul style="list-style-type: none">• the person had the right by 5 April 2006,• the right was unqualified in that it needed no other person to consent,• the right was set out in the governing documentation of the pension scheme by 10 December 2003. (SI 2005 No 3451, as explained in the Inspector's Manual at RPSM 03106035). |
| squatter | Person who occupies land with any formal right to do so. |
| squatting | For barristers, a third period of six months in which a barrister does his or her own work from chambers but is not yet a tenant. |

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| squeeze | Any form of compression. By extension, the term means the effects of reducing finance. |
| squeeze-out | The right of a shareholder who has acquired 90% of the shares in a takeover bid to require the remaining shareholders to sell their holdings. The converse right to sell those shares is called a sell-out . The legal provisions are set out in Companies Act 2006 from s979. |
| squire | Member of the landed gentry. |
| squirrel | Hide away. The term comes from the animal that hides nuts away for later use. |
| sq yd | Square yard. |
| SR | (1) Starting rate of income tax. (2) Tax code used for PAYE before 1973. It indicates that income tax is to be deducted at the standard rate without any allowances. (3) Special Reserve. (4) Abbreviation: Saudi riyal, currency of Saudi Arabia. (5) Figure used for assignment of VAT to Scottish Parliament in Scotland Act 1998 s64A(3). (6) Southern Region. |
| Sr | (1) Senior. (2) Señor, Spanish equivalent to "Mr". |
| sr | Steradian, a measure of angle. |
| SRA | (1) Solicitors Regulation Authority. (2) Strategic Rail Authority. |
| SRAM | Static random access memory. |
| SRB | Sale and rent back. |
| SRC | Student representative council. |
| SRCh | State registered chiropodist. |
| SRD | ISO code for Suriname dollar. |
| SREP | Supervisory review and evaluation process, term used by the Financial Conduct Authority. |
| SRFI | Strategic rail freight interchange. |
| SRFN | Strategic rail freight network. |

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| Sri | Indian term of respect to a man. |
| Sri Lanka | Island country in the Indian Ocean, formerly known as Ceylon. Its currency is the Sri Lankan rupee of 100 cents. The UK has a double taxation convention of 1979 amended by an exchange of notes in 1980. Britain gave independence under Sri Lanka Republic Act 1972. |
| Sri Lanka rupee | Currency of Sri Lanka. |
| SRIT | Scottish Rate of Income Tax. |
| SRN | (1) Scheme Reference Number , for disclosed tax avoidance schemes. (2) State registered nurse. |
| SRO | (1) Self-regulating organisation. (2) Standing room only. |
| SR&O | Statutory Rules and Orders. |
| SRS | Scheme Reconciliation Service. |
| SRT | Statutory residence test. |
| Srta | Señorita, Spanish equivalent to "Miss". |
| SRU | Scottish Rugby Union. |
| SS | (1) Secretary of State. (2) Steamship. [This abbreviation has other meanings.] |
| SSA | Standard spending assessment, of a local authority. |
| SSAFA | Soldiers, Sailors, Airmen and Families Association. It is now known as SSAFA Help. |
| SSAP | Statement of standard accounting practice. |
| SSAS | Small Self-Administered Scheme. A self-administered occupational pension scheme with usually fewer than 12 members. The rules on such schemes were tightened up in 1987 and 1991. |
| SSB | (1) State sickness benefit. (2) Single sideband transmission. |
| SSC | Solicitor before the Supreme Courts, of Scotland. |
| SSCBA | Social Security Contributions and Benefits Act 1992. |

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| SSC(NI)A | Social Security Contributions and Benefits (Northern Ireland) Act 1992. |
| SSD | Social Services Department. |
| SSDP | Abbreviation: South Sudanese pound, currency of South Sudan. |
| SSE | Substantial shareholder exemption. |
| SSFA | School Standards and Framework Act 1998. |
| SSI | Scottish Statutory Instrument. |
| SSL | Secure sockets layer, a computing term. |
| SSN | (1) Standard Shipping Note. (2) Social security number, US term. (3) Standard serial number. |
| SSP | (1) Statutory sick pay. (2) Scottish Socialist Party. |
| SSP1 | Form given by an employer to an employee who is sick and where the employee is either not entitled to statutory sick pay (SSP) or where entitlement to SSP has ceased. This form may allow the employee to claim social security benefits instead. |
| SSP2 | Form used to record amounts of statutory sick pay . The form is provided free by HMRC in either paper or (from 2008) computerised form. The use of the form is entirely voluntary; an employer may choose to use an alternative provided that the records are adequate. |
| SSPE | Securitisation special purpose entity. |
| SSP1L | Form which was given by an employer to an employee whose employment finishes while receiving statutory sick pay (SSP) . The form was discontinued from 27 October 2008 when the law changed so that an employee's period of sickness with one employer is no longer aggregated with a period with a new employer. |
| SSR | Soviet Socialist Republic. |
| SSRB | Review Body on Senior Salaries. |
| SSRC | Social Science Research Council. |
| SSRO | Single Source Regulations Office. |
| SSSI | Site of special scientific interest. |

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| SSS Islands | Sint Maarten, Saba and Sint Eustatius. This is an island group in the eastern Caribben Sea to the east of Puerto Rico. Before 2010, they were part of the Netherlands Antilles . |
| SST | Supersonic transport. |
| ST | (1) Secondary threshold , for national insurance. (2) Standard time. |
| St | (1) Saint. (2) Street. |
| Sta | Abbreviation: station. |
| stabit praesumptio donec probetur in contrarium | Latin: a presumption will stand good until the contrary is proved. |
| stable employment case | "A case where the [equal pay] proceedings relate to a period during which a stable employment relationship subsists between the woman and the employer, notwithstanding that the period includes any time after the ending of a contract of employment when no further contract of employment is in force" (Equal Pay Act 1970 s2ZA(2)). |
| stabling | For VAT, an exclusive right of stabling a horse (or other animal) is exempt as a supply of a right over land. The lessor may standard-rate this supply under the option to tax provisions. Any separate supply of animal feed may be zero-rated. Details are given in VAT notice 701/15. |
| staff | Collective term for people who manage an undertaking. |
| staff entertainment | "You may recover VAT incurred on staff entertainment to the extent that the expenditure relates to the purpose of your business" (VAT Notice 700). |
| staffer | Permanent member of a workforce. |
| staffing costs | In relation to tax relief for research and development, this term is defined in Corporation Tax Act 2009 s1123. In relation to land remediation expenditure, the term is defined in Corporation Tax Act 2009 s1170. |
| staff provider | In relation to externally provided workers engaged in research and development, this term is defined in Corporation Tax Act 2009 s1127. |
| staff provision payment | In relation to externally provided staff for research and development, this term is defined in Corporation Tax Act 2009 s1127. |
| Staffs | Staffordshire. |
| stag | Investor who specialises in new issues of securities. |

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| staged payments | Another term for stage payments . |
| stage gate | Point in a process where particular matters must be considered. This term was used in HMRC guidance notes on transfer pricing issued on 10 July 2008. |
| stage manager | Person who supervises the technical aspects of a dramatic performance. Sometimes stage managers also stand in for absent actors. On 5 March 2010, HMRC issued Guidance Note 5 regarding the extent to which stage managers may be taxed on the same basis as Equity contract actors, that is paying income tax as self-employed but national insurance as employees. |
| stage payments | Payments received during the completion of contracts, particularly in the construction industry. There is a tax point whenever an invoice is issued or a payment made - whichever happens first. |
| stagflation | In economics, combination of stagnant output and inflation. |
| stagger | The schedule of months in which quarterly returns for VAT and Insurance Premium Tax (IPT) are due. Traders registered for VAT and IPT are generally required to submit returns every quarter. For administrative purposes, the dates on which returns are due are staggered through the year. When a trader registers for one of these taxes, he or she is notified of which four months will mark the end of your quarterly tax periods. These are known as the 'stagger'. Normally, a stagger will be allocated by Customs and Excise. Under some circumstances, however, a trader can request to be put on a particular stagger. |
| staging date | Date on which an employer is required to have arranged automatic enrolment of employees in the NEST pension scheme or equivalent. |
| stagnant | In economics, description where output or similar is neither growing nor declining. |
| staircase tax | Name given to the additional business rates that could be payable following the Supreme Court decision in <i>Woolways v Mazars [2015]</i> . This held that two parts of a building must be separately rated if separated by a common part such as a corridor or staircase. This could affect entitlement to small business rates relief and result in a higher bill. In 2018, the government announced the law will be changed to reverse this decision. |
| staircasing | Practice of making payments to co-owners of a property to acquire a greater stake. This can lead to owning the freehold. There are some special provisions for the purposes of stamp duty land tax (SDLT) effective from March 2008. The person may pay SDLT on the whole price at the outset, in which case no further SDLT is payable. Alternatively, SDLT is payable on the amount paid for the person's interest in the property plus the net present value of rent payable. In practice SDLT is rarely charged for the rent. |

No further SDLT is then payable until the person owns at least an 80% interest in the property.

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| stairs | Part of a building (Capital Allowances Act 2001 s21(3) List A). |
| stake | (1) Investment or involvement in an organisation or activity. (2) Amount placed as a bet or wager. In most forms, the stake is repaid on a win, so a 10-1 bet means that if a person stakes £1 and wins, he or she will receive back their £1 stake plus £10 winnings. |
| stake a claim | Make a claim that a person has a particular right over some land or property. |
| stakeholder | Someone who has an interest or involvement in an organisation or activity. |
| stakeholder pension | <p>The name given to a type of personal pension, introduced on 6 April 2001. The scheme was extensively modified from when the government first announced it. In particular, the employer is not required to contribute to it.</p> <p>An employer of five or more people must make a stakeholder pension scheme available to any employee who wishes to use one. As the relationship is then entirely between the employee and pension provider, the employer is in effect acting merely as an introduction agency.</p> |
| stakeholder pension scheme | "A pension scheme that has been registered under section 2 of the Welfare Reform Pensions Act 1999 and satisfies the conditions in section 1 of the Act" (CA 84 Stakeholders Pension Scheme Manual, published by HMRC). |
| stakeholder products | <p>Financial products which meet government standards in that they are:</p> <ul style="list-style-type: none">• simple to understand;• low-cost; and• risk-controlled. <p>The term was introduced from 6 April 2005 to replace the previous CAT standard.</p> |
| stakeholders | A general term devised to indicate all those who might have a legitimate interest in receiving financial information about a business because they have a 'stake' in it. |
| Stakhanovism | <p>Russian system tried in 1935 to increase output by a system of specialised efficiency.</p> <p>Alexei Stakhanov was a coal miner who increased his output by this method.</p> |
| stale cheque | Cheque which the payee has not paid into his account and where the time limit for doing so (usually six months) has expired. |
| Stalinism | Rigorous and ruthless form of Communism as practised by Joseph Stalin (1879-1953) in Soviet Russia. |
| stalko | Irish term for a gentleman without fortune or occupation. |

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| stall | <p>(1) Stand at an exhibition or fair or similar where goods are sold or an amusement is provided. For VAT, the supply of a stall is generally regarded as a standard-rated supply of services, though there have been some cases where it has been held to be an exempt supply of land.</p> <p>(2) Temporarily stop, such as for an engine or the economy.</p> |
| stalling-ken | Old term for a house that receives stolen goods. |
| stamp | <p>Device of making a mark on a document. This may be by making an impression as in stamping documents in a press, or by making an image from an inked stamp, or in attaching an adhesive piece of paper, as in a postage stamp. All three methods have been used for tax.</p> <p>For stamp duty, stamp “means as well as a stamp impressed by means of a die an adhesive stamp for denoting any duty or fee” (Stamp Act 1891 s27).</p> |
| Stamp Act | <p>Law relating to stamp duty.</p> <p>The current Act is of 1891 as modified by Finance Acts. This replaces Acts of 1870, 1854 and 1765, the last of which led to revolution in and eventual independence of the USA.</p> <p>Stamp Act 1854 s11 is still in force. It relates to the definition of a bank note, even though these are not now stampable.</p> |
| stamp album | <p>Book provided to keep a stamp collection.</p> <p>Such a book is standard-rated for VAT unless the section for mounting stamps is less than 25% of the whole (VAT notice 701/10).</p> <p>A VAT tribunal ruled that zero-rating did extend to the resale by a stamp dealer of collectors' items originally produced by the Post Office. Each comprised a folded document with the special stamps (<i>S P Schusman [1994] VTD 11835</i>).</p> |
| stamp duty | <p>Overview</p> <p>Tax charged on documents. Originally there was no penalty as such for non-payment of stamp duty; the penalty is that an unstamped document may be ineffective in its purpose. The first stamp duty was imposed in the Netherlands in the early 17th century.</p> <p>Types of stamp</p> <p>The stamps were of three types:</p> <ul style="list-style-type: none">• adhesive stamps, either specially produced by Inland Revenue or (sometimes) using an ordinary postage stamp• embossing of paper using a die in a press• producing the document on pre-stamped paper. <p>From 25 May 2000, provisions are introduced to allow for electronic stamping. Most transactions are now “stamped” using the CREST settlement system. A report by the Office of Tax Simplification (OTS) in 2017, found that 103,000 documents a year still involved embossing pieces of paper, the only extant form of physical stamping.</p> <p>There is now only office that can do it, based in Birmingham. This uses</p> |

presses dating from 1870s with special coloured inks. This stamps 70% of straightforward stock transfer forms within five days and more complicated forms within 15 days. These time limits are in addition to time in the post. There is a limited facility where, by arrangement, same day stamping can be effected. Fewer than 50 such arrangements are made each year. OTS recommends that paper stamping be abolished and replaced by issuing a unique transaction reference online.

Bases of stamp duty

Stamp duty is assessed on two bases:

- a fixed duty of a set amount per document
- ad valorem duty based on the value of the underlying transaction.

The fixed duties extended to a wide range of documents, including the common 2d duty on cheques until 1971. In 1965 there were more than 50 heads of documents requiring stamping. Most other fixed duties were abolished from 26 March 1985. The provision remains in vestigial form in that some such documents must still be presented to ensure that no ad valorem duty is payable. The fixed £5 charge for transactions of shares was abolished from 13 March 2008.

Ad valorem duty is (since 2003) in practice only charged on transactions in shares and some other securities, though it can still be charged for other documents where there is a need formally to register a title.

In 1990, it was announced that this duty would also be abolished with the introduction of the TAURUS system of share dealing. These provisions were enacted in Finance Act 1990 ss107-111 from a date to be announced. TAURUS collapsed on 11 March 1993 and with it the abolition of the ad valorem duty. The 1990 Act provisions are still law but uncommenced.

Development of stamp taxes

Stamp duty dates from 1694. The main laws are now Stamp Duty Act 1891 and Stamp Duty Management Act 1891. Both Acts have been modified by Finance Acts. In 1983, a proposal to consolidate the Acts was abandoned.

Finance Act 1999 changed the heads of charge, and Finance Act 2003 removed land transactions completely and made them subject to **stamp duty land tax (SDLT)**. This tax has now been devolved and replaced in Scotland and Wales. Colloquially SDLT is still often referred to as stamp duty, even though it is a completely different tax.

There is also a separate **stamp duty reserve tax**, introduced in 1986.

Collectively these are known as **stamp taxes**, although two of them have never involved stamps of any kind, and the original stamp duty rarely does.

stamp duty land tax (SDLT)

Tax paid on transactions in land and buildings.

It was introduced on 1 December 2003 when it replaced **stamp duty** for property transactions. The main law is contained in Finance Act 2003.

Tax was charged as a percentage on the price or value of a long lease. There is a limit up to which a transaction is not taxed. Above this, a rate of tax of up to 5% is charged on the whole of the value.

SDLT moved to the **slice basis** for residential property in December 2015

and for commercial property from March 2016.

- stamp duty reserve tax (SDRT)** Tax charged on agreements to transfer chargeable securities for money or money's worth (Finance Act 1986 ss86-99).
SDRT was introduced on 1 July 1986 for transactions in securities that did not attract **stamp duty**.
- stamped** For stamp duty, the term "is applicable as well to instruments and materials impressed with a stamp by means of a **die** as to instruments and material having adhesive stamps affixed thereto" (Stamp Act 1891 s27).
- stamping** Offence committed by an excise officer who records a survey of a distillery without having carried it out. Typically the practice would involve the night stillman taking the readings and leaving them for the excise officer to enter into the survey (report).
- stamping machine** Mechanised device to produce impressions in a large quantity, particularly the machines used to produce coins.
- stamp paper** Paper that bears a revenue stamp.
- stand-alone** **Description** of an item that either:
 - has a single function, or
 - is not connected to another item.
- stand-alone cheque card** **Cheque guarantee card** that serves no other function.
At the time of their abolition on 1 July 2011, fewer than 1% of such cards were stand-alone. More than 99% served another function such as a cash card or debit card.
- stand-alone lump sum** A lump sum benefit paid as a single BCE to a member (aged under 75) of a registered pension scheme that represents all the member's uncrystallised rights under the scheme.
The lump sum must meet the conditions of Articles 25–25D of The Taxation of Pension Schemes (Transitional Provisions) Order 2006, SI 2006/57, as amended by The Taxation on Pension Schemes (Transitional Provisions)(Amendment No.2) Order 2006, SI 2006/2004.
- stand-alone policy** Policy that is not part of any other financial arrangement.
- standard** (1) Usual quality or requirements for goods or services.
(2) Normal quality of goods or services, as against other descriptions such as economy, high quality, de luxe etc.
- standard accessory** In the context of company cars for tax purposes, "an accessory equivalent to an accessory assumed to be available with cars of the same kind as the car in question in arriving at the list price" (Income Tax (Earnings And Pensions) Act 2003 s125(4)).

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| standard agreement | Terms of a contract which are usually followed by the parties, as set out in a written document. |
| standard allowance | The main element of universal credit (Welfare Reform Act 2012 s1(3)). It may be supplemented by amounts for child responsibility, housing and other needs or circumstances. |
| Standard and Poor's | A US-based financial services company that provides widely-used analysis on shares, stocks and other types of security. They also rate government securities. The company was formed in 1860. Securities are rated in order from the highest: AAA, AA+, AA, A+, A, BBB, BB, B, CCC, CC, C, Cl, R, SD and D. It uses NR for a company that is not rated. |
| standard beneficiary country (SBC) | For Customs, a country that benefits from a scheme of GSP (Customs notice 830). Appendix B of this notice gives a list of the countries. |
| standard case | For tax tribunals, a case "which will usually be subject to more detailed case management [than a basic case] and be disposed of after a hearing" (The Tribunal Procedure (First-tier Tribunal) (Tax Chamber) Rules SI 2009 No 273 rule 23(2)(c)). In employment law, a claim for equal pay which is not a stable employment case, concealment case or disability case (Equal Pay Act 1970 s2ZA(2)). |
| standard cider | Cider which is not sparkling and which has an alcoholic strength not exceeding 7.5% (Alcoholic Liquor Duties Act 1979 s62B(4)(a)). |
| standard class travel | In relation to air passenger duty, "means — (a) in the case of an aircraft on which only one class of travel is available, that class of travel; (b) in any other case, the lowest class of travel available on the aircraft" (Finance Act 1994 s30(10)). |
| standard cost | Cost of a future provision, against which the actual cost may be measured. |
| standard costing | Process of costing for a future period, against which actual costs may be compared. |
| standard debt | Debt which causes concern but is not too serious. |
| standard deduction | In USA, fixed amount that a taxpayer may claim from taxable income in a manner similar to UK personal allowances . Alternatively the taxpayer may claim certain itemized deductions . |
| standard deviation | Measure of how far a range of numbers departs from their average. The series 20, 21, 22, 23, 24 and the series 2, 12, 22, 32 and 42 both have an average (ie arithmetic mean) of 22, though the latter series has a greater range. Standard deviation is represented by the Greek letter sigma: σ . |

The steps are:

- calculate the average (arithmetic mean)
- subtract this average from each number in the series
- take the square of each difference thus calculated
- add up all the squares
- take the square root of the answer.

The standard deviation for the first series is 1.58114. The second is 15.81139, reflecting the greater range.

Standard deviation is a mathematical measure often used in conjunction with averages, such as in describing the risk element of an investment portfolio.

standard direct labour cost Cost of labour to produce a unit according to a standard which has been predetermined, such as how much time workers of different grades need to spend.

standard error In statistics, the **standard deviation** divided by the root of the number of observations in the sample.

standard exchange scheme (SES)

Scheme which may be used in **outward processing** to provide relief from Customs duty when goods are imported which were previously exported purely for a process, such as assembly or repair.

If the goods cannot be re-imported, equivalent goods may be imported under SES.

Standard for Investment Reporting (SIR)

Document issued by the Auditing Practices Board (APB) in relation to investment circulars.

standard fraction The fraction used to calculate **marginal relief** for corporation tax on profits that lie between the lower and upper limits. The law is Corporation Tax Act 2010 s19(3). This fraction is not needed for accounting periods from 1 April 2015.

standard hour In management accounting, the amount of work that can be achieved in one hour by a worker under normal conditions of efficiency.

Standard Import Values

For Customs purposes, a special system for valuing certain fresh fruit and vegetables at certain times of the year, when the entry price system is in force. Standard Import Values (SIV) do not operate concurrently with Simplified Procedure Values (SPV).

standard letter Letter which is written to provide routine information and answers to correspondents. Such letters are widely used by the tax authorities, as **letters of engagement** by auditors and in **credit control**.

standard lifetime allowance

The overall ceiling on the amount of tax-privileged savings that any one individual can accumulate over the course of their lifetime without taking any

special factors into account that may increase or decrease the tax-privileged ceiling.

For the year 2006-07, this amount is £1,500,000. The standard lifetime allowance for following tax years will be specified by an annual order made by the Treasury, and will never be less than the amount for the immediately preceding tax year. The amount was subsequently reduced to £1,250,000. For 2016/17 and 2017/18, it is £1 million.

Details are given in Finance Act 2004 s218, as amended.

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| standard litre | For oil duty, "shall mean a litre of any liquid at a temperature of 15 degrees C" (Hydrocarbon Oil Regulations SI 1973 No 1311 reg 2). |
| standard method | In VAT, the partial exemption method which is available to all partly exempt businesses without seeking prior approval from HMRC. |
| standard of living | Term to denote how well a person lives. It is a combination of net income and spending power. |
| standard rate | <p>Rate which applies unless another rate is specified.</p> <p>The term is particularly used for:</p> <ul style="list-style-type: none">(a) rate of national minimum wage for all workers aged 22 and above;(b) rate of VAT which is charged on a supply unless another rate is specified;(c) (sometimes) basic rate of income tax. It was the official term between 1907 and 1973. <p>For beer duty, the standard rate is paid by brewers who produce more than 60,000 hectolitres annually.</p> |
| standard-rated | For VAT, description of goods and services subject to the standard rate . |
| standard scale | <p>"with reference to a fine or penalty for an offence triable only summarily,—</p> <ul style="list-style-type: none">(a) in relation to England and Wales, has the meaning given by section 37 of the Criminal Justice Act 1982;(b) in relation to Scotland, has the meaning given by section 225(1) of the Criminal Procedure (Scotland) Act 1995;(c) in relation to Northern Ireland, has the meaning given by Article 5 of the Fines and Penalties (Northern Ireland) Order 1984." (Interpretation Act 1978 Sch 1). |
| standard variable rate | <p>(1) A lender's standard mortgage rate. This goes up and down with interest rates generally.</p> <p>(2) For domestic energy, "means a rate or amount charged for, or in relation to, the supply of gas or electricity under the contract that is not fixed for a period specified in the contract" (Domestic Gas and Electricity (Tariff Cap) Act 2018 s1(4)(a)).</p> |
| standby | When a worker is required to be available for work at short notice. Doctors, caretakers and residential wardens are often required to work on standby. |

Such arrangements are also known as being **on-call**.

Payment for being on standby is treated as gross pay, and is subject to tax and national insurance in the usual way.

Issues have arisen as to whether a worker is entitled to receive the **national minimum wage (NMW)** while on standby but not required to work.

The National Minimum Wage Act 1998 states that an employee is entitled to the national minimum wage for hours on standby when:

- actually working having been called out;
- required to be at or near work premises; or
- when not allowed to sleep.

Subsequent cases have confirmed that NMW was payable to:

- a person who operated a telephone booking service during the night from home (*British Nursing Association v Inland Revenue [2002]*);
- a watchman who was allowed to sleep at work but be ready to attend any alarm (*Scottsbridge Construction Ltd v Wright [2003]*); and
- a care manager who was on-call for 24 hours in a housing association for elderly people (*MacCartney v Oversley House Management [2006]*).

The NMW must be paid for all hours that a person may be called out, unless the risk of being called out is "trifling".

standby credit

Credit which a bank or other financial institution makes available to a company to draw on when required.

stand good

For tax assessments, the process by which an assessment from HMRC is regarded as the correct assessment following the taxpayer's inability to dispute it. The term is found in Taxes Management Act 1970 s50(6).

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"Now it is to be remembered that under the law as it stands the duty of the Commissioners [and from 1 April 2009 the Tribunal] who hear the appeal is this: Parties are entitled to produce any lawful evidence, and if on appeal it appears to a majority of the Commissioners by examination of the Appellant on oath or affirmation, or by other lawful evidence, that the Appellant is over-charged by any assessment, the Commissioners shall abate or reduce the assessment accordingly; but otherwise every assessment or surcharge shall stand good. Hence it is quite plain that the Commissioners are to hold the assessment as standing goods unless the subject – the Appellant – establishes before the Commissioners, by evidence satisfactory to them, that the assessment ought to be reduced or set aside."
T Haythornwaite & Sons v Kelly. CA [1927] 11TC657

standing charges

The cost of owning an asset rather than of using it.

This term is of particular application to cars where it applies to road tax, MOT, insurance, cost of capital and depreciation. Other costs, such as petrol and maintenance, are classified as **running costs**.

standing in the position of creditor

For **connected parties relationship**, the term is defined in Corporation Tax Act 2009 s379.

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| standing order | <p>Arrangement whereby a fixed amount is paid at regular intervals, such as a subscription to a club or a donation to a church or charity.</p> <p>Standing orders are not generally used by commercial businesses who prefer direct debits where they can change the amount drawn. A standing order can only be changed by the bank's customer. A standing order may be set up for any person or organisation whereas a direct debit may only be made for an organisation which meets strict guidelines imposed by the bank.</p> |
| standing orders | Rules of procedure that apply to a meeting unless it decides otherwise. |
| standing statement of fixed deductions | Statement provided by employer to employee listing deductions made from every payslip and which need not therefore be detailed on each payslip (Employment Rights Act 1996 s9). |
| standstill agreement | Agreement between parties to respect the current position, particularly in acknowledging a debt while agreeing more time to pay it. |
| standstill provision | <p>In law, a rule that remains in force but where the power to change it no longer exists.</p> <p>An example is the right of the UK government to zero-rate many supplies. It no longer has the power under EU law to introduce new categories of zero-rating, though it may amend existing zero-ratings to accommodate new developments, such as for new technology.</p> |
| Stannaries | Tin-mining areas of Cornwall that had their own laws. |
| staple | <p>(1) Small piece of bent metal used to fasten papers.</p> <p>(2) Description of basic commodity or foodstuff.</p> |
| staple extractor | Device to remove staples. |
| stapler | Device to insert staples. |
| starch | <p>A polycarbonate substance found naturally in potatoes, rice and many plants and food products. In fermentation, starch is converted to alcohol.</p> <p>For VAT, starch is zero-rated when supplied in edible form but standard-rated when supplied for such purposes as stiffening shirt collars (VAT notice 701/14).</p> |
| STAR | Serial tax avoidance regime. |
| star | <p>Various companies have set up businesses offering people the right to have a star named after them, even though there is no international or even national agreement to do so. Bodies such as NASA do not recognise the names.</p> <p>This has been the subject of a VAT case which held that the chart and books sent to customers were not a separate zero-rated supply. The company was making a single standard-rated supply (<i>Schoemann ISR (UK) Ltd [1993] VTD 11713</i>).</p> |

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| Star Alliance | Alliance of airlines founded in 1997. By April 2018 it had 27 airlines as members. |
| starboard | Right hand side of a ship when facing the bow (front). |
| Star Chamber | Common nickname for Public Expenditure Committee . |
| stardust | Name sometimes given to the metallic strip in bank notes. |
| stare decisis | Latin: stated decision. The principle that a precedent is binding in law. |
| starter home | The term “means a building or part of a building that— (a) is a new dwelling , (b) is available for purchase by qualifying first-time buyers only, (c) is to be sold at a discount of at least 20% of the market value, (d) is to be sold for less than the price cap, and (e) is subject to any restrictions on sale or letting specified in regulations made by the Secretary of State (for more about regulations under this paragraph, see section 3).” (Housing and Planning Act 2016 s2(1)). |
| starter homes requirement | The requirement of planning authorities to provide starter homes (Housing and Planning Act 2016 s5(4)). |
| starting price | Price for which goods, services or betting odds are initially offered, and which are liable to subsequent change. |
| starting rate limit | Maximum slice of income subject to the starting rate of income tax. |
| starting rate (SR) | Income tax rate of 10% which was charged on the first slice of taxable income between the tax years 2001/02 and 2007/08. There was also a starting rate of corporation tax between 1 April 2000 and 31 March 2008. This was 10% until 31 April 2002, and then 0%. It applied to adjusted profits of up to £50,000. In Scotland, a starter rate of 19% income tax was introduced from 6 April 2018. |
| starting travelling expenses | “Expenses incurred by the employee in travelling from a place in the United Kingdom to take up employment” (Income Tax (Earnings And Pensions) Act 2003 s341(8)). This is generally tax-deductible if the employment is overseas. |
| starting value | In relation to long funding operating leases, this term is defined in Income Tax (Trading and Other Income) Act 2005 ss148DA-148DB. |
| start menu | In computing, a menu which first appears when a program is selected and offers basic choices, such as creating a new file or opening an existing one. |

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| start up | Begin a business, or the beginning of a business. The term is sometimes hyphenated. |
| start-up financing | Providing the funds to start a new business. There are tax-advantaged schemes for investing in such businesses, such as seed enterprise investment scheme . |
| start-up period | For bank levy, this is given a specific meaning in Corporation Tax Act 2010 s269CG as inserted by Finance Act 2015 Sch 2. In relation to corporation tax on banks, this term is defined in Corporation Tax Act 2010 s269CG(1). It is basically the first five years of a bank's trading life. |
| start-up visa | A visa available from spring 2019 to allow someone to come to the UK to start a business. It was announced by the government on 13 June 2018.s |
| stash | Deposit of funds which are kept, sometimes secretly, for a particular purpose. |
| state | (1) An independent country seen as a single financial and legal entity. "A national, regional, or local government" (FRS 102 glossary). (2) Give factual information about something. |
| state bank | American term for a commercial bank licensed by the individual state. Such a bank is not always a member of the Federal Reserve system. A bank run by the federal government is called a national bank . |
| state benefits | Social security and other welfare payments. |
| State Department | US government department that deals with foreign matters. |
| State Earnings Related Pension Scheme (SERPS) | Government-backed additional pension arrangement which ran from 6 April 1978 to 2002, when it was replaced by the similar state second pension (S2P) . Under SERPS, employees pay some additional national insurance to secure more pension from the government. As originally planned, an employee who was a member of SERPS for his or her entire working life and who earned more than the upper earnings limit for national insurance would receive additional pension of 25% of band earnings . This would be a significant sum which could more than double the state pension. In fact, the scheme did not last long enough for anyone to receive such a high figure, though state second pension is broadly similar. In 1999, the scheme was reduced in terms of benefits provided. The maximum benefit was progressively reduced to 20% of band earnings, among other changes. |
| state maternity allowance | Term used in Income Tax (Earnings And Pensions) Act 2003 s677 for maternity allowance . |
| statement | Document which summaries a financial position, particularly a document which summaries what invoices are still owing. Such a statement is usually supplied at the end of each month. |

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| statement about manufactured dividends | Statement that may be required by Income Tax Act 2007 s577 in relation to the property rental business of a Real Estate Investment Trust. |
| statement for the account | Term used in relation to child trust funds, and explained in Child Trust Funds Regulations SI 2004 No 1450 reg 10. |
| statement of accuracy | Statement that HMRC may certify under administrative provisions for leases (Income Tax (Trading and Other Income) Act 2005 s300). |
| statement of account | List of sums due, mainly in the form of unpaid invoices. |
| statement of accuracy | Statement that may be required by HMRC about a lease at undervalue under Corporation Tax Act 2009 s237. |
| statement of affairs | Formal statement provided to court to support an IVA proposal. |
| statement of allocation | Notice given to HMRC by a building society in relation to the bank levy (Corporation Tax Act 2010 s269C(3) as inserted by Finance Act 2015 Sch 2). |
| statement of assets and liabilities | Statement of assets and liabilities of a body which prepares a receipts and payments account . The statement is an alternative to the balance sheet. |
| Statement of Auditing Standard (SAS) | UK auditing standard issued by Auditing Practices Board. |
| statement of capital | Statement made by directors about the company's share capital. Such a statement may be required for a reduction in share capital . The contents of such a statement are set out in Companies Act 2006 s644(2). |
| statement of cash flows | Statement which sets out where an organisation has received its funds and how it has spent them. "Financial statement that provides information about the changes in cash and cash equivalents of an entity for a period, showing separately changes during the period from operating, investing and financing activities" (FRS 102 glossary). Details of how to prepare such statements are given in FRS 102 Section 7. |
| statement-of-cash-flows method | Method of accounting which uses cashflows , rather than the accruals method . |
| statement of changes | Document which an employer must give to an employee within one month of any change in the contract of employment (Employment Rights Act 1996 s4). |
| statement of changes in equity | A financial statement reporting all items causing changes to the ownership |

interest during the financial period, under the **IASB system**.

Such a statement is generally required by companies that prepare accounts using International Accounting Standards that does not provide a **statement of recognised income and expenditure**.

This definition is also used in relation to taxation of derivatives (Corporation Tax Act 2009 s710).

statement of changes in financial position

Financial report produced by a commercial organisation stating how its cash position has changed during the period.

statement of claim

Document summarising the basis of a legal claim in civil proceedings.

statement of community involvement

Statement a planning authority must prepare to state the involvement of principal parties in its area in developing the **local development scheme** (Planning and Compulsory Purchase Act 2004 s18).

statement of company's objects

Statement which may appear in a company's **articles of association** stating the purpose for which the company is formed (Companies Act 2006 s31).

If no such statement appears, the objects are unrestricted, and the company may engage in any activity.

statement of compliance

Incorporation

A document submitted with the draft **memorandum of association** to say that all the requirements of the Companies Act 2006 have been met (Companies Act 2006 s13).

For a public company, such a statement may be accepted in issuing a **trading certificate** (Companies Act 2006 s762(3)).

Administrative restoration

Notice that must accompany an application for **administrative restoration** of a struck off company to the register at Companies House.

The requirement is given in Companies Act 2006 s1026.

statement of comprehensive income (SCE)

Financial statement that combines the income statement with other gains and losses recognised in the accounting period. It is basically the profit and loss account.

“Financial statement that presents all items of income and expense recognised in a period, including those items recognised in determining profit or loss (which is a subtotal in the statement of comprehensive income) and items of other comprehensive income. If an entity chooses to present both an income statement and a statement of comprehensive income, the statement of comprehensive income begins with profit or loss and then displays the items of other comprehensive income” (FRS 102 glossary).

The definition for accounting purposes is also used in relation to taxation of derivatives (Corporation Tax Act 2009 s710).

Statement of Financial Accounting Standards (SFAS)

American accounting standard.

statement of financial activities (SOFA)

Record of income and expenditure produced by a charity using the accruals basis.

statement of financial position

Term that is sometimes used in international accounting standards to mean a **balance sheet**. The term may be used under FRS 102.

“Financial statements that present the relationship of an entity’s assets, liabilities and equity as of a specific date (referred to as the balance sheet in the [Companies Act 2006])” (FRS 102 glossary).

statement of guarantee

A document which must be submitted with the draft **memorandum of association** when forming a **company limited by guarantee**.

Companies Act 2006 s11 requires this statement to specify the amount each member will contribute if the company is wound up.

statement of high net worth

Statement made by an individual that he or she has assets above a specified value (Consumer Credit Act 1974 s16A). Such a person is exempt from some of the provisions of the Act.

statement of income and retained earnings

“Financial statement that presents the profit or loss and changes in retained earnings for a reporting period” (FRS 102 glossary).

For derivatives, this has the same meaning as for accounting purposes (Corporation Tax Act 2009 s710).

statement of initial employment particulars

A document which an employer must provide to an employee within two months of starting work which set out the conditions of work (Employment Rights Act 1996 s1). This section details what must be included.

statement of initial significant control

Document that a company must file at Companies House on incorporation (Companies Act 2006 s12A).

statement of practice

Document issued by HMRC (formerly Inland Revenue) explaining how it understands a taxing provision and how it will apply a provision. They are numbered in the form “SP 1/87”, which refers to the first such statement issued in 1987.

If a taxpayer follows a Statement of Practice, HMRC will not challenge that decision. However a Statement of Practice does not have the force of law. A taxpayer who believes that a Statement of Practice is wrong may follow another interpretation, but should disclose this in the **white space** on a tax return to allow HMRC to challenge such decision.

statement of principles

A document issued by the Accounting Standards Board in the United Kingdom setting out key principles to be applied in the process of setting accounting

standards.

Statement of Principles for Financial Reporting

Document produced by Accounting Standards Board to determine the criteria for **accounting standards** and similar pronouncements. The statement does not itself have the status of an accounting standard.

The Statement states in para 7 that its purpose is to ensure that **financial statements** are **true and fair**.

This document has now been superseded by documents in the FRS 102 group of standards for accounting periods that start after 31 December 2014.

statement of proposed officers

A document which must be submitted with the draft **memorandum of association** when forming a company.

This must give the names and addresses of every person who is to be a director when the company is formed and any person who is to be company secretary.

statement of recognised gains and losses (STRGL)

A financial statement that summarises all gains and losses in the period, regardless of whether those gains or losses are reflected in the profit and loss account or balance sheet. For international accounting standards, this statement is usually called the **statement of recognised income and expenditure**.

Typically, the statement analyses gains and losses into:

- profits
- revaluations of assets
- actuarial gains or losses on pension scheme
- currency translation differences
- hedges against cashflow and investments (not strictly required under UK standards).

statement of recognised income and expense (SORIE)

A financial statement reporting **realised** and **unrealised** income and expense as part of a **statement of changes in equity** under the **IASB system**. It is the term used in international accounting standards to mean the **statement of realised gains and losses**.

This definition is also used in relation to taxation of derivatives (Corporation Tax Act 2009 s710).

statement of recommended practice (SORP)

An accounting policy developed for a particular trading activity.

“An extant statement of recommended practice developed in accordance with *SORPs: Policy and Code of Practice*. SORPs recommend accounting practices for specialised industries or sectors. They supplement accounting standards and other legal and regulatory requirements in the light of the special factors prevailing or transactions undertaken in a particular industry or sector” (FRS 102 glossary).

It should be noted that the term used in FRS 18 is **SORP** and not

“statement of recognised practice”.

statement of rights

In company law, a statement outlining the rights of members to vote or appoint a proxy. Such a statement must be sent with all notices of meeting (Companies Act 2006 s325(1)).

statement of standard accounting practice (SSAP)

UK accounting standard issued between 1971 and 1990.

statement of total recognised gains and losses

Financial statement reporting changes in equity under the UK ASB system.

This definition is also used in relation to taxation of derivatives (Corporation Tax Act 2009 s710).

statement of truth

Statement made to provide evidence in an application sent to the Land Registry in relation to an application.

Examples include an application to:

- be registered as proprietor of land on the basis of adverse possession;
- be registered where there are no extant documents to prove title;
- register a right acquired by prescription;
- apply for an entry to protect an undocumented interest in land:

or

- cancel a restriction protecting a trust in land that has come to an end.

Before November 2008, such evidence was provided by a statutory declaration. From November 2008, the evidence is provided by a statement of truth.

From 29 June 2015, form ST5 is used to cancel a restriction.

state of emergency

Declaration by the King or Queen in Council which allows Parliament to take emergency action under Emergency Powers Act 1920.

state of indebtedness

Fact of being in debt. The term is usually restricted to cases where a person is seriously in debt and is likely to become insolvent.

state of the ship's registry

For the purpose of maritime wrecks, “means, in relation to a registered ship, the State of registration of the ship, and, in relation to an unregistered ship, the State whose flag the ship is entitled to fly”

(**Wrecks Convention** article 11).

state pension

(1) Another name for the **state retirement pension**.

(2) The name for the equivalent pension paid for those who reach state retirement age from 6 April 2016 (Pension Act 2014 s1(1)).

state pension credit

Social security benefit created by State Pension Credit Act 2002 s1(1).

It has two elements, the **guarantee credit** and **savings credit**. It is more commonly known as **pension credit**.

The benefit is not subject to income tax (Income Tax (Earnings And

Pensions) Act 2003 s677).

state pension forecast

Statement provided on request to someone who is at least 30 days away from receiving a **state retirement pension**.

The statement says how much the person can expect to receive as state retirement pension, including state second pension, SERPS and graduated pension. The amounts are stated at current rates and based on contributions to that date, and so will often be less than the amount eventually received. The statement is free, and can usefully identify any gaps in the contribution record which the person may be able to fill by paying class 3 national insurance contributions.

The forecast is available by completing form BR19 which may be requested by calling 0345 4000 168. Alternatively, it may be requested online.

state retirement pension (SRP)

Definition

An amount paid by the state to its older citizens.

It is payable under Social Security and Contributory Benefits Act 1992 from s44.

Categories of pension

There are three categories of state retirement pension:

- Category A, paid at state pension age based on the person's national insurance contributions record
 - Category B, paid at state pension age based on a spouse's contributions, and paid at a rate of about 60% of Category A
 - Category D, paid at the age of 80 at the same rate as Category B for someone without sufficient national insurance record for A or B.
- (Category C was for those who had retired before July 1948 or who were married to someone who was. This category is now extinct.)

Taxation

The pension is subject to income tax but is not taxed at source.

The tax is often collected by adjusting the tax code for another pension in payment.

Qualifying age

In the UK, the pension is paid from the age of 65 for men, and from the age of 60 to women who retire before 2010. From 2020, it is paid to women at the age of 65. Between 2010 and 2020, the retirement age for women is gradually increased from 60 to 65. It is planned to increase the retirement ages during the 21st century.

National insurance conditions

A person is eligible for the pension if they have paid sufficient **national insurance** contributions for nine out of ten years of **working life**. This means that if a person started work at 21 and retired at 65, they have 44 years of working life and must have paid sufficient national insurance for 39 years. For those who retire from 2012, the requirement is that a person has sufficient

national insurance for 30 years, regardless of working life. If someone has less than a full national insurance contribution, they receive a **pro rata** pension.

Other information

Since 1975, men and women have been able to have an SRP pension on the same terms. It is also possible for a husband, wife or civil partner to receive a smaller pension based on their partner's **contributions**.

The amount of pension is usually increased each April to allow for inflation.

The SRP may be supplemented by **additional pension**. A pensioner with low income may be entitled to claim **pension credit**.

| | |
|------------------------------------|--|
| state scheme pension credit | Term used in Pensions Act 2014 s13 in relation to sharing the state pension on divorce. |
| state scheme pension debit | Term used in Pensions Act 2014 s14 in relation to sharing the state pension on divorce. |
| state second pension (S2P) | <p>Government-backed additional pension arranged introduced in 2002 as a replacement for State Earnings Related Pension Scheme (SERPS).</p> <p>S2P has two stages. Stage 1 continues most of the provisions of SERPS. The main change is to stratify the band earnings and apply different earnings factors to the different strata. The consequence is to enhance the pension payable to lower paid workers. S2P also extended additional pension to full-time carers.</p> <p>Stage 2 replaces the earnings-related pension with a single flat rate. This was originally intended for 2007, but has now been postponed to 2012, and subsequently to 2016.</p> |
| state succession | <p>Change in the sovereignty of a nation. This can affect double taxation treaties.</p> <p>When the USSR was dissolved in 1991, the UK's 1985 Treaty was regarded as still applying to the independent states that were members of the USSR, unless the state decided otherwise. This was set out in statement of practice SP 3/92. In practice only Estonia, Latvia and Lithuania decided otherwise. Armenia and Kyrgyzstan said they never regarded themselves as bound by the USSR treaty.</p> <p>Other arrangements have been made in relation to Czechoslovakia, Namibia, South African homelands and East Germany.</p> |
| static caravan | For VAT, this may come within the definition of a zero-rated caravan . Guidance is given in VAT notice 701/20. |
| static memory | In computing, random access memory whose contents do not need refreshing but remain accessible while power is supplied. |
| station | The several meanings of this word include the status of a person in society. |
| stationery | Stationery used in a business is a normal business expense and is therefore usually deductible from taxable profits. |

For VAT, stationery is generally standard-rated even in the form of books. If a book is sold completed, such as a historic diary or ship's log, it may be zero-rated under Value Added Tax Act 1994 Sch 8 Group 3, as explained in VAT notice 701/10.

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|--------------------------|--|
| Stationery Office | Body that supplies books, statutes and other material for the government, and for the public about the government. |
| statistics | Branch of mathematics that deals with probability. |
| status | Standing of a person in the eyes of the law. |
| status bar | In computing, a line on a screen that gives details on what is being worked on, such as the number of pages and words in a document. |
| status discount | Term used in relation to people who are ignored for the purposes of determining liability to council tax. Such people include full-time students and people who have severe mental impairment. |
| status document | Document that evidences the status of something or someone. For Customs purpose, a Community status document may be needed to state that the goods originate from within the EU. |
| status inquiry | Act of checking on a person or organisation, particularly with regard to their financial reliability. |
| status quo | Latin: state as it is. |
| status quo ante | Latin: the previous state. |
| status symbol | Possession which marks a person's standing in society. An example may include an expensive car. |
| statute | An established written law, usually an Act of Parliament , the primary source of law. |
| statute-barred | When something no longer has any life or effect because of the time which has passed. Most debts and civil actions become statute-barred after six years. |
| statute book | Collective terms for all laws passed in a country. It does not exist as a book. |
| Statute of Anne | Law passed in 1709, effective from 10 April 1710, which provided the first legal protection for copyright . It was repealed in 1842 by Copyright Act 1842, which has also now been repealed. |
| Statute of Dues | Contentious law of 1532 which created a form of taxation in that it gave the king land rights on the death of a tenant. It was of limited effect in stemming the continuing low revenues for Henry VIII, who lacked his father's financial |

skill.

Statute of Frauds Law passed in 1677 which, among other matters, required certain contracts always to be in writing. Originally there were six categories. These have now been reduced to two: guarantees, and purchases of land. There are other contracts which must be *evidenced* in writing (eg insurance, employment and consumer credit) but which may be made verbally.

Statute of Monopolies UK law passed in 1624 which provided the first protection for **patents**. It was repealed by Statute Law Revision Act 1863.

statutory Having the authority of the state government.

statutory adoption pay (SAP)

Social security benefit paid to a man or woman who adopts a child. Their partner (male or female) may be eligible for **statutory paternity pay**.

The right is contained in Social Security Contributions and Benefits Act 1992 from s171ZL.

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

statutory apprenticeship

“Means any course or training that is, or is to be, provided under —
(a) an approved English apprenticeship,
(b) an apprenticeship agreement within the meaning of section 32;
(c) an arrangement to undertake any other kind of working —
(i) in relation to which alternative English completion conditions apply under section 1(5), and
(ii) in connection with which training is to be provided in accordance with an apprenticeship framework within the meaning given in section 12; or
(d) arrangements made under —
(i) section 2 of the Employment and Training Act 1973,
(ii) section 17B(1)(a) of the Jobseekers Act 1995.
(iii) section 2(3) of the Enterprise and New Towns (Scotland) Act 1990, or
(iv) section 1 of the Employment and Training Act (Northern Ireland) Act 1950,
that are identified by the person making the arrangements as arrangements for the provision of apprenticeships”
(Apprenticeships, Skills, Children and Learning Act 2009 sA11 as inserted by Enterprise Act 2016 s25).

It is an offence to describe any other form of training as an apprenticeship.

statutory audit Audit that a company is required by law to undertake.

statutory auditor Person who conducts an audit as required by law.

statutory bereavement pay Payment an employer must make to an employee from a date to be advised for up to two weeks if they have a child under 18 who dies.

| | |
|--------------------------------------|---|
| statutory books | Financial records which an organisation is required by law to keep. |
| statutory declaration | Declaration made before a magistrate or commissioner of oaths under Statutory Declarations Act 1835. Making a false statement in such a declaration is perjury (Perjury Act 1911 s5). |
| statutory demand | Formal notice sent by creditors before starting bankruptcy proceedings (Insolvency Act 1986 s268(1)). |
| statutory funding objective | Requirement that every pension scheme "must have sufficient and appropriate assets to cover its technical provisions" (Pensions Act 2004 s222(1)). Technical provisions means sufficient to cover its liabilities. |
| statutory instrument (SI) | Rules made by government ministers who have been so authorised by an Act of Parliament . The Act is known as an enabling Act. Many tax regulations are made by statutory instrument. |
| statutory interest | Interest HMRC may pay on an overpayment made following an error by the department. |
| statutory maternity pay (SMP) | Definition Payment which an employer may be obliged to pay to a female employee who is absent from work because of pregnancy or recent childbirth. SMP was introduced on 6 April 1987. |

Entitlement

Entitlement may depend on the woman's **confinement** date.

An employer may not refuse to pay SMP when it is due. An employer may pay **occupational maternity pay** in addition to SMP provided the total does not exceed the woman's normal pay.

SMP is only paid to a woman who:

- has worked for long enough (basically a woman who became pregnant in that employment); and
- has earnings above the **lower earnings limit** for national insurance.

Main points

The main points about SMP are:

- it is payable for a **maternity pay period** (MPP) of 39 weeks (26 weeks before 1 April 2007). She may take up to 13 weeks further leave unpaid;
- payment is usually of 90% of **average earnings** for the first six weeks followed by a **set rate** thereafter;
- the woman may choose when the MPP starts provided this is no earlier than 11 weeks before the expected date of birth, and no later than the day after the actual birth;
- SMP is only paid for a live birth (which includes a baby that dies immediately after birth) or for a pregnancy which lasts for at least 24 weeks;

- only one payment of SMP is payable for twins and other multiple births;
- SMP is subject to income tax and national insurance on the same basis as normal pay;
- the employer may reclaim 92% of the cost of SMP from the state under the **PAYE** scheme, or a higher percentage if the employer qualifies as a **small employer**.

Other comments

From 6 April 2011, a woman may return to work after 26 weeks and transfer the remaining 26 weeks to her husband or partner.

SMP entitlement is determined by reference to **expected week of childbirth (EWC)**, **maternity pay period (MPP)** and **qualifying week (QW)**.

A woman who does not qualify for SMP may qualify for **maternity allowance**.

From 14 January 2007 there are no age limits for SMP.

The rules on SMP have changed many times since its introduction. There was a major revision of the rules in 1994.

The right to reclaim statutory maternity pay is contained in Social Security Contributions and Benefits Act 1992 s166.

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

statutory maximum

“With reference to a fine or penalty on summary conviction for an offence,—

(a) in relation to England and Wales, means the prescribed sum within the meaning of section 32 of the Magistrates' Courts Act 1980;

(b) in relation to Scotland, means the prescribed sum within the meaning of section 225(8) of the Criminal Procedure (Scotland) Act 1995; and

(c) in relation to Northern Ireland, means the prescribed sum within the meaning of Article 4 of the Fines and Penalties (Northern Ireland) Order 1984.” (Interpretation Act 1978 Sch 1).

statutory nomination

When a law makes provision for property held by a person to pass to someone nominated by the person regardless of what is in their will.

Statutory nominations apply to certain funds held by a **friendly society**, **industrial and provident society** or **trade union**, provided the amount does not exceed £5,000. It also applies to nominations made before 1981 for National Savings certificates.

statutory parental bereavement pay (SPBP)

New allowance to be introduced in 2020. It will give two weeks' leave to a parent who loses a child under the age of 18. The parent must have been employed for at least 26 weeks.

statutory paternity pay (SPP)

Social security benefit for two weeks payable for absence by the father of a natural child or adopted child, or by a woman whose partner has adopted a child.

From 6 April 2011, SSP is renamed **ordinary statutory paternity pay**.

There is **additional statutory paternity pay** when a woman transfers up to six months of maternity leave.

From 6 April 2016, it reverts to being statutory paternity pay. Additional statutory paternity pay is now subsumed into **shared parental leave**.

statutory payment

General term for **statutory sick pay, statutory maternity pay, statutory paternity pay, statutory adoption pay** or (from 2019) **statutory parental bereavement pay**.

statutory pay week

“In relation to a person entitled to statutory parental bereavement pay, means a week chosen by the person as a week in respect of which statutory parental bereavement pay is to be payable” (Social Security Contributions and Benefits Act 1992 s171ZZ9(11) as inserted by Parental Bereavement (Leave and Pay) Act 2018 Sch para 5).

statutory provision

In relation to the **business impact target**, this term is defined in Small Business, Enterprise and Employment Act 2015 s22(6).

statutory records

Records that an individual or organisation are required to keep under an Act of Parliament or other statutory provision.

For tax in Scotland, the term has a specific definition in Revenue Scotland and Tax Powers Act 2014 s122.

statutory regulations

Regulations which relate to financial dealings. They are a **Statutory Instrument** with the force of law, as against regulations produced by a regulatory body.

statutory residence test (SRT)

Test introduced from April 2013 to clarify whether a person is regarded as UK-resident for tax purposes.

statutory sick pay (SSP)

Social security benefit paid to an employee from a fourth day of sickness. It is compulsory if the employee meets the conditions. An employer may pay additional **occupational sick pay**, or may opt out of SSP completely if the occupational sick pay is at least as generous as SSP. The main law is Social Security Contributions and Benefits Act 1992 ss151-154.

An employer may recover SSP from the state to the extent that payments in a month exceed 13% of national insurance (Social Security Contributions and Benefits Act 1992 s159A and SI 1995 No 512).

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

statutory travel concession permit

Bus pass issued to anyone who is at least 60 years old and which is valid throughout the UK under Concessionary Bus Travel Act 2007.

statutory trust

Trust created by an Act of Parliament.

A statutory trust is created when a person dies intestate under Administration of Estates Act 1925 s47.

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| statuts d'une société | French: articles of association |
| stay | When a court temporarily suspends a legal action or process. |
| stay of execution | Temporary stopping of a legal order, usually to allow additional time for a matter to be checked or for an alternative to be considered. |
| STD | (1) ISO code for São Tomé and Príncipe doba. (2) For telephones, subscriber trunk dialling (3) Sexually transmitted disease. |
| std | Standard. |
| stealth bag | Bag, wallet, purse or similar which is designed to conceal its purpose. |
| stealth tax | New tax or adjustment to an existing tax which generates additional revenue in a manner which is not immediately obvious. Examples include reducing personal allowance for those who earn more than £100,000 and reducing the annual allowance for pensions for higher earners. |
| steam | For VAT, steam is generally standard-rated as a supply of heat rather than as water which is zero-rated under Value Added Tax Act 1994 Sch 8 Group 2. In some cases, the supply of steam may be reduced rated, or standard-rated as a supply of heat (VAT notice 701/16). |
| steel | Metal comprising iron with a controlled amount of carbon added. It is much stronger than iron. One of the first users was the Midland Railway Company which found steel rails still satisfactory after ten years whereas iron rails needed replacing every six months. Before 1853, the word "steel" referred to a very hard form of iron used to make sword blades. Producing steel is excluded from eligibility for venture capital trusts under Income Tax Act 2007 s307C. For this purpose steel is defined by reference to the list in Annex 1 to the Guidelines on national regional aid 2006/C 54/08 published on 4 March 2006. |
| steeping | Soaking in water. The first step in brewing is usually to steep barley. This triggers the germination which is stop by kilning . |
| steep-reduction annuity | An annuity where: “(a) the amount of any payment in respect of the annuity (but not the term of the annuity) depends on any contingency other than the duration of a human life or lives; (b) the annuitant is entitled in respect of the annuity to payments of different amounts at different times; and (c) those payments include a payment (a reduced payment) of an amount which is substantially smaller than the amount of at least one of the earlier payments in respect of that annuity to which the annuitant is entitled” |

(Income and Corporation Taxes Act 1988 s437A(1)).

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| steering committee | Committee that determines the programme and order of business. |
| stella quarta decima | Latin: the fourteenth star. This is the motto of Vermont, USA and appeared on its coins. Vermont was the 14 th state to be admitted to the Union. |
| stellar contribution | Legal principle sometimes used in working out divorce settlements. The principle is that if one party has a particular talent which generates income, the other party has a reduced claim to such income. |
| Stellenbosch | German term for the practice of relegating a matter to a post where incompetence matters less. The word means a dumping ground. |
| stencil | Plate with images cut out from which letters, diagrams and similar may be drawn. In tax and similar disciplines, the word is sometimes used for an outline document to be completed as a means of producing evidence. |
| stenographer | Person who uses a device to record short hand in real time. Stenograph is a trade name. |
| stent | Scottish term for a tax or assessment. |
| STEP | Society of Trust and Estate Practitioners. |
| step | (1) One part of a sequence of actions. (2) For financial instruments, the term means a rate or level at which something applies. |
| step- | A prefix to a relationship where a parent has remarried. So a person's step-mother is the wife of a father who is not the person's mother. Tax law sometimes treats step-relations in the same way as a direct relationship. An example is in creating a trust for a bereaved minor . |
| step cost | In management accounting, a fixed cost that increases over time. |
| step function | In mathematics, a function that makes an instant change from one value to another. |
| Stephen | King of England from 1135 to 1154. |
| stepped bond | Loan finance that starts with a relatively low rate of interest which then increases in steps. |
| stepped costs | Costs which remain fixed to a stated level, and then increase to a new level. |
| steps | In relation to mutual assistance in recovering tax between member states, the term "includes any legal or administrative steps, whether by way of legal proceedings, distress, diligence or otherwise" |

(Finance Act 2011 Sch 25 para 6(4)).

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| steradian | Unit of a solid angle. |
| stere | Old unit of timber measure, equal to 35.315 cubic feet. |
| sterilising equipment | For VAT on charity funded equipment , "includes autoclaves and other specialised equipment using steam or other high temperature processes, "Microwave ovens and other cooking appliances are not sterilising equipment, even if they can be used to sterilise. Sterilising fluid is not equipment, and does not qualify for zero-rating, even when purchased by an eligible body" (VAT leaflet 701/6). |
| sterling | Another name for the pound , as a UK currency. |
| sterling area | Term, now rarely used, for the parts of the world where UK currency is used. |
| sterling balances | Trade balance of a country expressed in UK currency. |
| sterling crisis | Serious fall in the value of UK currency which leads to economic problems. |
| sterling index | Index which shows the value of UK currency against a basket of other currencies. |
| Sterling Investment in Capital Security (STICS) | Bond issued by UBS Bank in an ineffective tax avoidance scheme of strpped bond scheme . |
| sterling silver | An alloy of silver and base metal (usually copper) with at least 92.5% silver. |
| stern | Hind part of a sailing vessel. |
| Stern Review | Report issued by Lord Stern in 2006 on climate change. The Review points out the economic costs of climate change, and has been the basis for government policy in this area. Some of its conclusions have been challenged by other scientists. |
| stet | Mark in an account or record that a correction or amendment is to be ignored and the original figure or text is correct. |
| stet processus | Latin: stay of proceedings. |
| stevedore | Person who loads and unloads ships. Such work has become much less common as a result of containerisation. |
| stewardship | Taking care of resources owned by another person and using those resources to the benefit of that person. |
| Stewardship Code | Code of practice produced in July 2010 by the Financial Reporting Council under which pension funds exercise their rights as shareholders and set out in |

their accounts how they voted.

STFC Science and Technology Facilities Council.

STFR **Single total figure of remuneration.**

stg Sterling.

Sth South.

STI Sexually transmitted infection.

stiacciato Very low relief in a design, such as found on coins.

Stichting MarorGelden Overheid

Dutch name for Dutch Maror Fund, set up to pay compensation to victims of the Holocaust. On 16 December 2015, it was announced that payments under this scheme are exempt from UK inheritance tax.

stick to your knitting Business jargon for a business that keeps to its core activities, and does not diversify. It is also called **zero-basing**. The opposite has been called **buy a cow**.

sticky deposit Small deposit that a bank is likely to retain during times of stress. Such a deposit is part of the bank's **protected deposits**, which are excluded in charging the bank levy.

sticky fingers Colloquialism indicating someone who has a propensity to pilfer.

sticky keys In computing, a facility to assist disabled people by letting the keys take longer to perform their function.

STICS **Sterling Investment in Capital Securities**, an ineffective tax avoidance scheme.

stiffware In computing, colloquialism for software that has been customised or produced without adequate documentation, thus making updating, correcting and adapting difficult.

Stiftung EVZ German scheme, known in English as Remembrance, Responsibility and Future. It compensates those used as slaves or forced labourers during the second world war. On 16 December 2015, it was announced that payments under this scheme are exempt from inheritance tax.

stigma damages Damages that may be paid to a worker for a connection with a disgraced business. The first such damages were paid to an employee who worked for the failed bank BCCI.

stilb Unit of brightness equal to one candela per square centimetre.

still "The apparatus, or any part of an apparatus, in which spirits are produced" (Customs notice 39).

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|---------------------------------|---|
| still bank | Piggy bank that is not a mechanical bank . This means that it contains no device to amuse the depositor but is simply a receptacle for coins. |
| stillbirth | Birth of an already dead child. The mother is usually able to claim maternity benefits for such a birth. Statutory parental bereavement pay may be paid in respect of a child stillborn after 24 weeks of pregnancy (Social Security Contributions and Benefits Act 1992 s171ZZ15 as inserted by Parental Bereavement (Leave and Pay) Act 2018 Sch para 5). |
| stillborn | Description of a child that has died in a stillbirth . |
| still licence | Licence required to keep and use stills for making spirits (Alcoholic Liquor Duties Act 1979 s82). |
| sting | Deception designed to trap criminals, such as by asking them to attend a place to collect a prize where they are then arrested. |
| stingo | Strong malt liquor. |
| stingy | Niggardly. |
| Stip | Stipendary. |
| stipend | Payment of a regular allowance to a clergyman or similar person for <i>not</i> working so that they are available for pastoral and religious duties. For all purposes, it is taxed and subject to class 1 national insurance as a salary. |
| Stir | Stirlingshire. |
| stir | Colloquialism for prison. |
| stitch-up | Colloquialism for when a person is tricked or framed. |
| stiver | Old Dutch coin of low value. The expression "not a stiver" was sometimes used to mean "not a penny". |
| stock | (1) Inventory of goods held for resale or for use in business. The tax implications are discussed in the Inspectors' Manual at BIM33015. (2) The equity capital of a company, but expressed in amounts of amount rather than as numbers of shares. This is common in USA. (3) In computing, a series of registers which are written and read in a strict order. |
| stockbroker | Person who buys and sells shares and other securities on behalf of his clients. |
| stockbroker's commission | Payment to a stockbroker for buying or selling shares or other securities. It is usually calculated as a percentage of the amount involved. |
| stock certificate | American term for a document which provides evidence that a person holds stock (equity capital) in a company. |

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| stock code | Sequence of numbers or letters which an organisation uses to identify items it holds in stock, either for sale or for its own use. |
| stock company | Provincial theatre company which provides the main cast for a show with a visiting star actor. |
| stock deficiency | Loss of items on sale in a shop. If this happens, the shopkeeper may deduct the cost of the items from the shop assistant's wages under Employment Rights Act 1996 s17, provided the amount does not exceed 10% of gross wages. |
| stock depreciation | <p>Reduction in the value of stock. The term usually refers to a loss of value while an item is in stock.</p> <p>Such loss of value usually relates to either a deterioration in the physical quality of the goods (such as metal going rusty), or in the goods becoming less sellable (such as books going out of date or clothes going out of fashion).</p> |
| stock dividend | <p>When a dividend is paid in the form of additional shares.</p> <p>Such a dividend is treated for tax as if it were paid in cash (Income and Corporation Taxes Act 1988 s249).</p> <p>The capital gains tax treatment is given in Taxation of Capital Gains Act 1992 s142.</p> |
| stock exchange | <p>A forum for the trading of stocks, shares and other securities.</p> <p>The London Stock Exchange is the main stock exchange in the United Kingdom.</p> |
| Stock Exchange listing | Arrangement where a company's shares or other securities are listed on the London Stock Exchange. |
| stock figures | Details of how much stock (inventory) is held by an organisation. The figures usually list each item held in stock with the quantity held. This is turned into an amount by multiplying each item by the stock value . |
| stockholder | Person who owns stock (equity capital) in a company. |
| stockholding | Amount of stock (equity capital) held by a person or organisation in a company. |
| stock holding period | Average number of days for which inventory (stock) is held before use or sale. It is an accounting ratio . |
| Stockholm syndrome | Condition in which captives start to develop positive feelings towards their captors. The term comes from the siege of a bank in Stockholm in 1973. |
| stocking | Old colloquialism for a person's savings, from the old practice of keeping them in a stocking. |
| stock-in-trade | <p>Goods held by a business for sale.</p> <p>The term is sometimes used as an adjective to describe a person's</p> |

standard response or activity.

The term is also used in Taxation of Capital Gains Act 1992 s161 in relation to capital gains tax treatment.

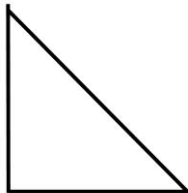
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| stock item | Item which an organisation usually holds in stock for immediate supply or use, as against those items which it buys in when required. |
| stockjobber | Term used before 1986 for a market maker . |
| stock ledger | Book or equivalent which records movements in stock (inventory). |
| stock lending | Arrangement whereby a company lends shares to another company. The income tax treatment is set out in Income Tax Act 2007 s568. Provisions about no tax credits for stock lending arrangements are set out in Income Tax Act 2007 from s592. The capital gains tax provisions are given in Taxation of Capital Gains Act 1992 s263B, of which subsection (1) provides a definition. The deemed manufactured dividend rules are given in Corporation Tax Act 2009 s812. Stock lending is generally outside the scope of the accrued income scheme (Income Tax Act 2007 s653). |
| stock lending arrangement | The term is defined in Income Tax Act 2007 s568. |
| stock level | Quantity of a specific item which an organisation keeps in stock. |
| stock market | A stock exchange or other place where shares and similar securities may be traded. |
| stock market manipulator | Person who attempts to influence a stock market in his or her favour. |
| stock market valuation | Valuation of a company based on the price at which the stock market is valuing its shares. So if a company has 2 million shares and the stock market is £1.50 a share, its stock market valuation is £3 million. |
| stock option | Right to buy shares at a special price. Such options are commonly provided to directors and employees in the company. |
| stock relief | Tax relief available to businesses between 1/6 April 1974 and 12 March 1984. There was a radical change to the system in 1980. The relief allowed inflation on inventory's values to be rolled forward for offsetting against future profits. |
| stocks and shares | Term widely but loosely used to mean holdings in the equity capital of trading companies. Stocks are the US term, and shares are the UK term. |
| stocktaking | Process of counting the stock held by a business at a particular time, usually the end of the accounting period . This stock is then valued to give the closing stock figure. |
| stocktaking sale | Sale of items at a discounted price before stocktaking . The purpose is to clear the shelves of unwanted items. Such a sale will usually require the closing |

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| | stock to be reduced for accounting and tax purposes. |
| stock transfer form | Form signed by a person when selling shares in a company. |
| stock turn | Another term for stock turnover . |
| stock turnover | Accounting ratio which measures how long stock is held by a business before being sold. It is calculated as the total value of stock sold in the year divided by the average value of goods held in stock. |
| stock value | Value of stock (inventory) held by an organisation. |
| stockwork | In mining, a mass of veins that can be worked as one deposit. |
| stokes | Unit of kinematic viscosity. |
| STOL | System to allow aircraft to take off and land over a short distance. |
| stolen | Past participle of steal. |
| stone | Imperial unit of weight, still widely used in the UK for the weight of people. A stone equals 14 pounds. There are 8 stones in a hundredweight, and 160 stones in a ton. A stone equals 6.3503 kilograms. There are 157.47 stones in a metric tonne. |
| stonewall | Practice of obstructing proceedings by purely defensive behaviour. The term originated in Australian politics, and was then used for defensive playing in cricket, and then generally. |
| stony broke | Colloquialism description for a severe lack of funds. |
| stooge | Originally the term meant an actor who fed lines to other actors. By extension, it means any person whose functions are to support another person, particularly in a way requiring gullibility. |
| stop | In banking, an instruction not to pay a cheque (or similar) which has been issued. |
| stop and question | Power given to the police in Northern Ireland under Justice and Security (Northern Ireland) Act 2007 s21. |
| stop-go | Term used to describe a common economic problem in the 1950s. The government of either party would relax economic controls, only to re-introduce them when this led to high levels of inputs. In 1961 the National Economic Development Council (NEDC or Neddy) was formed to find ways to avoid stop-go. |
| Stop It | Campaign of legal challenges to community charge launched by Labour party in 1987. |

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| stop-loss insurance | Protection purchased against the risk of large losses or a severe adverse claim experience. |
| stop-loss order | Instruction to a stockbroker to sell a share or other security if its price falls below a stated figure. |
| stop order | (1) Order preventing sale of shares or payment of dividend if a charging order has been made. (2) American term for a stop-loss order . |
| stop over | Interruption to a journey. A stop over does not in itself convert commuting into tax-deductible business travel. A leading case on this is <i>Sargent v Barnes [1978] 52TC335</i> which is discussed in the Inspectors' Manual at BIM37935. For the purposes of air passenger duty, a stopover usually breaks a journey so that each flight is taxed separately. This is known as the temporal condition . Details are given in Customs notice 550. |
| stoppage | Act of stopping something, particularly stopping work in an industrial dispute . |
| stopped cheque | Cheque that has been issued but where the issuer subsequently tell the bank not to pay it, usually because the cheque has been lost or misappropriated. |
| storage | Charge made for storing property belonging to someone else. |
| storage capacity | Space available for storing items. The term may be used literally, such as the storage capacity in a warehouse, or may be used in similar contexts, such as the amount of space on a computer available to hold data and software. |
| storage equipment | 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. |
| storage jar | For VAT, storage jars are standard-rated. If sold containing zero-rated food, this is a mixed supply whose elements must be separately taxed. An ordinary jar that is normal and necessary packaging is not treated as a separate supply. |
| store card | Credit card issued by a large store for use by customers. The card is usually operated by a finance company on behalf of the store; GE Finance is the largest such finance company. Typically store cards have a very high interest rate. |
| store licence | Licence granted by a local authority to store gunpowder (Explosives Act 1875 s15). |
| store of value | Any item which is widely regarded as being valuable and which is therefore the basis of currency. Precious metals and gems are stores of value, as can be land, antiques, and works of art. |

The term is also used as one of the two functions of **money**. The other function is as a **means of exchange**.

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| stores | Goods supplied duty free on a vessel or aircraft, for use or sale on a voyage or flight leaving the UK. |
| Storm Desmond | Storm that affected Cumbria in December 2015, leading to flooding. The government announced various forms of help, including grants to individuals, businesses and farms, additional expenditure on flood defences, and matched funding for charitable donations. |
| Storting | Legislative assembly of Norway. |
| stotinka | One hundredth of a lev, currency of Bulgaria. The plural is stotinki. |
| stout | Dark beer. It is subject to beer duty . |
| stove | From 1 January 2006, a stove that burns wood or straw may qualify for the reduced rate of VAT under Value Added Tax 1994 Sch 7A Group 2. |
| stowaway | Person who hides on a ship or aircraft in an attempt to travel free. |
| stp | Standard temperature and pressure. |
| str | (1) Straight (2) Strong. (3) Steamer. |
| Stra | Strange's King's Bench Reports, law reports published from 1716 to 1749. |
| straddle | (1) Span a date, such as a date when a tax law changes. Such a straddle can require the person to apportion an amount between before and after the change. For corporation tax, a blended rate is usually used when an accounting period straddles a change of tax rate. (2) In investing, the difference between bid and offer prices. (3) In investing, buying a put option and a call option at the same time. |
| straddling period | Accounting period that straddles a date when a tax provision changes. In relation to the supplementary charge for ring-fenced profits of the oil industry, this is an accounting period that straddles 24 March 2011 (Finance Act 2011 s7(3)). For ring-fenced losses, it means an accounting period that straddles 1 January 2006 (Corporation Tax Act 2010 s327). In relation to diverted profits tax, the term is explained in Finance Act 2015 s116(2). In relation to loss-related tax avoidance, it means a period that spans 1 April 2017 (Finance (No 2) Act 2017 s19(11)). In relation to hybrid mismatches, it "means an accounting period or payment period (as the case may be) beginning before 13 July 2017 and ending on or after that date" (Finance (No 2) Act 2017 s24(12)). |

- straggler** In investing, a security that is not keeping up with changes in the market.
- straight** Its various meanings include honest, direct and heterosexual.
- straight line method** Method of calculating **depreciation** whereby the charge is the same figure for each year of the estimated life of the **fixed asset**.
So if a fixed asset cost £6,000 and is estimated to last for six years, under the straight line method, a depreciation charge of £1,000 would be made for each of six years.
The name comes from the graphic representation. If the years are numbered on the x-axis, and the depreciated value on the y-axis, the graph will show a straight descending line thus:
- 
- straightline restriction on allowable expenditure** Term used in Taxation of Capital Gains Act 1992 s46. It relates to the calculation of a gain on a **wasting asset**.
- stranger** In law, a person who was not a party to proceedings or a transaction but who becomes involved. For example, under Bills of Exchange Act 1882 s56, a stranger who indorses a bill of exchange incurs liability of an indorser to a holder in due course.
- strap** In investing, a security that is similar to a **strip** but which has two calls and one put on a share or other security.
- Strategic Accounting Framework (SAFE)** Computer system introduced by HMRC in phases during 2006/07 "for the collection and accounting of the miscellaneous charges previously dealt with by the Network Units in Cumbernauld and Shipley" (Inspectors' Manual at DMBM100110).
It also provides IT support for pension simplification charges and legal costs.
- Strategic Health Authority** Body established under National Health Services Act 2006 s13 and abolished by Care and Social Health Act 2012 s33.
- strategic highway company** Company so appointed under provisions of Infrastructure Act 2015 s1.
From 1 April 2015, such a body may claim back VAT input tax (Value Added Tax 1994 s41(7)(c)(i)).
- Strategic Investment Fund** Government fund launched in the Budget 2009 "to support advanced industrial projects of strategic importance". The initial fund was £750 million.

One third is designated to low-carbon projects.

strategic management accounting

Branch of management accounting which lays particular emphasis on the financial implications of factors outside the business.

strategic plan for England

In relation to dormant accounts, “means a statement containing the [Big Lottery] Fund’s policies for the distribution of **dormant account money** for meeting English expenditure” (Dormant Bank and Building Society Accounts Act 2008 Sch 3 para 1(2)).

strategic plan for Northern Ireland

In relation to dormant accounts, “means a statement containing the [Big Lottery] Fund’s policies for the distribution of **dormant account money** for meeting Northern Ireland expenditure” (Dormant Bank and Building Society Accounts Act 2008 Sch 3 para 4(2)).

strategic plan for Scotland

In relation to dormant accounts, “means a statement containing the [Big Lottery] Fund’s policies for the distribution of **dormant account money** for meeting Scottish expenditure” (Dormant Bank and Building Society Accounts Act 2008 Sch 3 para 3(2)).

strategic plan for Wales

In relation to dormant accounts, “means a statement containing the [Big Lottery] Fund’s policies for the distribution of **dormant account money** for meeting Welsh expenditure” (Dormant Bank and Building Society Accounts Act 2008 Sch 3 para 2(2)).

strategic planning

In management accounting, the process of preparing, evaluating and selecting suitable strategies to achieve the objectives of the organisation.

strategic report

A report produced by a company that “must contain —
(a) a fair review of the company’s business, and
(b) a description of the principal risks and uncertainties facing the company”
(Companies Act 2006 s 414C(2)).

The duty to prepare such a report is given in Companies Act 2006 from s414A. Small companies are exempt under s414B.

strategic value analysis (SVA)

Business technique for providing a framework for ordered thinking.

strategy

“The direction and scope of an organisation over the long term: ideally, which matches its resources to its changing environment, and in particular its markets, customers or clients so as to meet stakeholder expectations” (Exploring Corporate Strategy, G Johnson and K Scholes, Prentice Hall).

Strathie, Dame Lesley

Scottish born civil servant (1955-2012) who was chief executive and permanent secretary of HMRC from 2008 to 2011.

stratified

Description of an amount into strata for different treatment.
The term is particularly used in the **accrual rate** of **class 1 national**

insurance for the purposes of calculating **State Second Pension**.

Under SERPS, the entitlement accrued at the rate of 20% of **band earnings** between the lower earnings limit and (what is now) the upper accruals point. In its modified form of State Second Pension, band earnings are stratified into three strata where the lowest stratum accrues at 40%, a middle stratum at 10% and the highest stratum at 20% (subject to some annual variations).

The consequences is that people on the lowest incomes accrue entitlement at twice the normal 20% rate, while those on higher incomes accrue entitlement at an overall rate of between 20% and 40%. From 2010, there are only two strata of 40% and 10%, but the principle remains the same.

straw

For VAT, this is generally standard-rated, as explained in VAT notice 701/15.

Straw-burning stoves may, from 1 January 2006, qualify for the reduced rate of VAT under Value Added Tax 1994 Sch 7A Group 2.

straw man

Man with little or no financial means, particularly when put up for a purpose such as fighting a legal action knowing that the other side cannot recover any award of costs. The term man of straw is also used. Someone who fights a legal action using a straw man may be liable under the rules of champerty.

straw man argument

Debating tactic whereby, instead of challenging what a person has said, their remarks are represented as something else which is then challenged instead.

stream

Small natural water course. Profits from this, when run as a trade, are subject to income tax (Income Tax (Trading And Other Income) Act 2005s12) or corporation tax (Corporation Tax Act 2009 s39).

The word is also used for a flow of money, such as in income stream.

streamlined company registration

Process to be introduced by 31 May 2017 allowing for a person to make a single on-line registration of all information to register a company. The statutory provision is contained in Small Business, Enterprise and Employment Act 2015 from s15.

Streamlined energy and carbon reporting (SECR)

Statement that large companies are required to make from April 2019 relating to their energy use, carbon emissions and energy efficiency.

street value

Cash value of an item when sold directly to members of the public, particularly if the item cannot legally be sold, such as stolen goods or drugs.

Streisand effect

In social science, the phenomenon whereby an attempt to hide, remove, or censor a piece of information has the **unintended consequence** of publicizing the information more widely, often facilitated by the **Internet**.

The term is named after the singer Barbra Streisand. She unsuccessfully sued photographer Kenneth Adelman and a website for breach of privacy in displaying an aerial photograph of her home. Before her action, the picture had been downloaded six times. Following the case, it was downloaded

420,000 times.

strength

In terms of alcoholic liquor, "means its alcoholic strength computed in accordance with this section, the ratio referred to in paragraph (c) above being expressed as a percentage" (Alcoholic Liquor Duties Act 1979 s2(2)).

"The alcoholic strength of any liquor is the ratio of the alcohol contained in the liquor to the volume of liquor (inclusive of the alcohol contained in it) (Alcoholic Liquor Duties Act 1979 s2(2)(c)).

stress

(1) Emotional state a person feels when struggling to cope.

(2) A mental illness from failing to cope. This can be diagnosed as such, and entitles to the sufferer to sickness benefits.

stretch

(1) Make a resource go further.

(2) Colloquialism for a period in prison.

stretcher

Device for carrying an injured person. In some circumstances this may be zero-rated for VAT.

In May 2004, the minimum statutory length was reduced from 2.28 metres to 1.95 metres. VAT law reflects this change of size.

stretch fabric

For VAT on children's clothing, the size of a garment made in a stretch fabric is to be measured fully stretched.

The issue of stretchability in relation to fashion knitwear was considered in *Jeffrey Green & Co Ltd [1974] VTD 69*.

STRGL

Statement of recognised gains and losses.

strictly

In tax, this word usually indicates what the letter of the law requires, particularly when a more reasonable view is usually followed.

stricto sensu

Latin: in its strict meaning.

strict settlement

Settlement where land is held for the beneficial interest of people in succession, such as to keep land in a family. The terms for such a settlement are set out in Settled Land Act 1925.

strike

Industrial relations

"Any concerted stoppage of work" (Trade Union and Labour Relations (Consolidation) Act 1992 s246).

A strike sanctioned by a trade union may be official, whereas a strike prompted by workers themselves is unofficial.

Periods on strike do not count towards continuous employment and can therefore delay entitlement to employment protection, such as from unfair dismissal.

An employer cannot generally employ employees for going on strike until they have been on strike for 13 weeks.

Employees on strike do not receive payment from their employer. Strike pay is paid by the trade union and is regarded as a refund of trade union subscription and is therefore not taxable.

Where an employee has no gross income or low income, the PAYE system can generate tax rebates. The law forbids these being paid to employees on strike (PAYE Regulations SI 2003 No 2682 para 64).

Investment

Agree a **striking price**, sometimes by a predetermined mechanism.

strike off

Process of removal from a register, particularly the process by which a **defunct company** may be removed from the register at Companies House without the need for a formal liquidation.

Such an application may be made by the registrar under Companies Act 2006 s1000 if the registrar believes that no business is being carried on and has written to the company to enquire.

Alternatively an application may be made by the company itself under s1003. In such a case, the company is usually struck off the register three months later.

Further details are given under **dissolution**.

striking price

Price at which a security is sold by tender. Bidders make offers of varying amounts. The striking price is the figure that ensures sufficient sale is made.

striking the fiars

Old Scottish practice of fixing grain prices between counties by a sheriff and jury.

strip

Type of security

Form of tradeable security, usually comprising two puts and one call on a share or other security (unlike a strap which has two calls and one put). The puts and calls have the same expiration date.

There are some specific tax provisions, such as Taxation of Capital Gains Act 1992 s151C.

Gilts

Gilt strip (Corporation Tax Act 2009 s403).

National loan

A security issued by the government under National Loans Act 1968. Its tax provisions are set out in Finance Act 1942 s47.

stripped bond scheme

Tax avoidance scheme in which banks sold at a discount bonds stripped of their interest coupons. The clients would later sell the bonds for what the banks believed would be a tax-free return.

The schemes were found to be ineffective in *Malcolm Healey [2013]* and *Sava. TC 2625 [2013]*. Further details can be found in HMRC's Spotlight 18.

strip search

"Search which is not an **intimate search** but which involves the removal of an article of clothing which:

(a) is being worn (wholly or partly) on the trunk; and

(b) is being worn either next to the skin or next to an article of underwear"

(Customs and Excise Management Act 1979 s164(5)).

The person to be searched, known as the **suspect**, may require the Customs officer to refer the matter to his superior (ibid s164(3)).

The search must be done by an officer of the same sex as the suspect (ibid s164(4)).

strips of gilt-edged securities For the purpose of the **accrued income scheme**, the tax provisions are set out in Income Tax Act 2007 s648.

strip tease In a Norwegian case, the tax authorities held that a strip tease show was artistic and therefore was exempt from Norwegian VAT as a supply of cultural services.

Although Norway is not a member of the EU, its VAT law is closely modelled on EU VAT law and so this case provides a persuasive precedent. (*Fylkesskattsjefen v Diamond GoGo Bar. Langmannsrett. The Times 7 December 2006.*)

Strode's law Another name for Privilege of Parliament Act 1512.

strong beer For historic excise duties, one of two classes of beer between 1643 and 1830. This was stronger than the other small beer. The terms were neither precisely defined nor measured; the different depended entirely on the palate of the excise officer who sampled the beer.

strong box Safe or coffer that is made particularly strong to protect documents, cash and valuable items.

strong cider Cider which is not sparkling and has an alcoholic strength exceeding 7.5% (Alcoholic Liquor Duties Act 1979 s62B(4)(b)).

strong room 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.

strong water Original name for alcoholic spirits.

structural assets In the context of insurance companies "means —
(a) shares, debts and loans the value of which is required to be entered in lines 21 to 24 of Form 13 in the periodical return (UK insurance dependants and other insurance dependants), and
(b) assets of such other description as are specified by regulations made by the Treasury".
(Finance Act 1989 s83XA(3)).

structural deficit One of two elements of the **Budget deficit**. The other is the **cyclical deficit**.
HM Treasury glossary says that structural deficit "occurs when government spending exceeds tax receipts. A government can run a structural deficit even if the economy is growing strongly. Consequently, it can only be tackled by reducing government spending or raising taxes."

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

| From | Percentage |
|------------------------|------------|
| 4 January 2011 | 14.5% |
| 1 January 2010 | 13% |
| 1 December 2008 | 11% |
| 1 January 2004 | 13% |

structural psychology Type of psychology that deals with arrangement of mental states and processes.

structure In relation to allowability of expenditure on flood and coastal erosion, the term "includes road, path, pipe, earthwork, plant and machinery" (Corporation Tax Act 2009 s1244A(6)).

structured enquiry form Any form which asks a question in a structured way, particularly the way that payrollers may ask HMRC technical questions using its website.

structured finance Term that has been used in different contexts to mean a range of situations from proper financial arrangements through to deliberately deceitful arrangements. In the **Enron** scandal, the term was used for the practice of creating supposedly independent bodies to hide losses.

structured finance arrangements The tax provisions are set out in Taxation of Capital Gains Act 1992 s263E.

structured query language (SQL) In computing, malicious code that is inserted into computer systems as a means of copying its contents.

structured settlement Damages set out as a lump sum and an annuity, as allowed for in Damages Act 1996.

struthious Pertaining to an ostrich. The term may be used for a person who pretends that an adverse situation is not there.

STSMS Prefix for HMRC's manual on stamp taxes on shares.

STTG Prefix for HMRC's tax manual on Scottish taxpayer technical guidance.

Stuart Pertaining to the royal house that reigned in Britain from 1603 to 1714.

STUC Scottish Trades Union Congress.

student **PAYE**
Person engaged in studying.

For PAYE, there was a special procedure using form **P38(S)**. This form may be completed by a student who:

- is in full-time education;

- works only during the three main holidays; and
- whose total taxable income for the tax year is less than the personal allowance.

Completion of the form allows the employer to make payment without deducting income tax under PAYE. If the employee does start to earn more than the personal allowance or ceases full-time study, the employer must obtain a tax code from HMRC and use the BR tax code until then.

This procedure ended with the introduction of **real time information** in 2015. Students are now taxed on the same basis as other workers.

Loans

Students who started tertiary education from September 1998 receive loans which are collected from payroll as **student loans**.

Customs

For Customs, "a person attending a school, college or university in the EC for full-time study" (Customs notice 3).

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| student hall of residence | This is specifically exempt from council tax. |
| student information | In relation to educational qualifications, this term is defined in Small Business, Enterprise and Employment Act 2015 s79(6). |
| student loan | <p>Loan provided to a student in tertiary education. The loan is recovered by deductions from subsequent pay at 9% of earnings above a threshold.</p> <p>Plan 1 loans apply to students who started their education between September 1998 and August 2012. Plan 2 loans apply to students who started their education from September 2012.</p> <p>There are variations in rules and thresholds in the four parts of the UK. From April 2019, there are also postgraduate loans.</p> |
| students' union | <p>A university students' union was not allowed to claim exemption from VAT for cultural entertainments under Value Added Tax 1994 Sch 9 Group 13 Note 2(c). Its officers received bursaries which meant that it was not run on a voluntary basis.</p> <p><i>Keele University Students Union [2009] TC 82.</i></p> |
| Student Tax Advice Campaign | Programme started by HMRC on 3 March 2008 to help students understand their tax responsibilities. |
| stumer | Forged banknote, forged cheque, swindle or swindler. In the first world war, the term also meant a dud shell. The origin of the word is unknown. |
| stump | American term for a meeting addressed by a political candidate. In the UK, this is called hustings. |
| stumpage | American term for the value of, or amount paid for, standing timber. |
| stump up | Colloquialism meaning to pay. |

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| Sturgeon, Nicola | Scottish SNP politician (1970-) who has been First Minister of Scotland since 19 November 2014. |
| STV | Single transferable vote. |
| Stylophone | Electronic musical instrument played with a stylus on a metal plate embossed like a piano keyboard. It was manufactured between 1968 and 1975, and again from 2007. A court case (<i>The Times</i> 13 October 1970) held that this was not a "keyboard instrument" and was therefore not exempt from purchase tax. |
| suable | Able to be sued. |
| sub | (1) Abbreviation of subsidy , particular in the sense of providing a worker with some money before he is due to be paid. (2) Prefix denoting something which is less important or one link down the chain. (3) Submarine. |
| sub-agent | Person appointed as an agent by someone who is already acting as an agent. |
| subaltern | Description of military officers below the rank of captain. |
| subbie | Colloquialism for a subcontractor. |
| sub-club | Part of a club that operates with some degree of independence. For VAT, a sub-club is only treated as a separate body if it can be demonstrated "that it has both constitutional and financial independence from its parent organisation" (VAT leaflet 701/5). |
| sub colore juris | Latin: under the colour of the law. |
| subcontract | Engage a person to do some of the work which you have been engaged to do, such as when a builder engages the services of an electrician or gas fitter. |
| subcontractor | Someone a contractor engages to do some of the work for which you have engaged the contractor. In relation to expenditure on research and development, the term is defined in Corporation Tax Act 2009 s1133. The word is sometimes spelled with a hyphen after the B. |
| sub-contractor payment | In relation to expenditure on research and development, this term is defined in Corporation Tax Act 2009 s1133. In relation to land remediation expenditure, the term is defined in Corporation Tax Act 2009 s1175(1A). In relation to video games tax relief, the term is defined in Corporation Tax Act 2009 s1217CF(5). |
| subdirectory | In computing, a directory contained within another. |

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| sub-division | In relation to shares, means splitting the nominal value into a larger number of lower value shares, such as splitting each £1 share into ten 10p shares. The company law is found in Companies Act 2006 s618. The opposite process is known as consolidation . |
| sub divo | Latin: in the open air. |
| subduct | In law, to withdraw. |
| sub-fund | Part of a settlement that may be treated separately for capital gains tax purposes under a sub-fund settlement . |
| sub-fund settlement | “The trustees of a settlement (the “principal settlement”) may elect that a fund or other specified portion of the settled property (the “sub-fund”) be treated, unless the context otherwise requires, as a separate settlement (“the sub-fund settlement”) for the purposes of this Act, and the election shall have effect” (Taxation of Capital Gains Act 1992 Sch 4ZA para 1). |
| sub hasta | Latin: by auction. |
| subject access request (SAR) | <p>Term used by HMRC for a request by an individual for information it holds about that individual. It is right under Data Protection Act. It also includes national insurance details from 1975/76.</p> <p>A request through an accountant, solicitor or other professional requires written authorisation from the subject. A request for a person who has died may be made by someone entitled to settle the tax and national insurance affairs of the deceased.</p> |
| subject to contract | Term used in negotiation indicating an <i>intention</i> to create contractual relations but not doing so yet. The legal authority for this comes from the case <i>Chillingworth v Esche [1924]</i> . The term is widely used in purchases of land and property. |
| sub judice | Latin: in the course of trial. There are some legal restrictions on the conduct of parties while a trial is proceeding. |
| sublease | Lease from a tenant to a subtenant. This is only legal if the lease either allows such subletting or the landlord has given consent. |
| sublessee | Person to whom property is sublet ; a subtenant. |
| sublessor | Tenant who subleases property to a sublessee . |
| sublet | Let a property when the lessor is himself a tenant. |
| submarginal | Description of land that is too small to be farmed economically. |
| sub-menu | A menu of software functions which appears when an item is clicked on a main menu . |

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| submission | Documents, evidence and argument put to a judge or arbitrator. |
| sub modo | Latin: under condition or restriction. |
| subnational entity | County, borough, city, region or other defined area that is a recognised part of a nation and may have delegated powers to impose taxes. |
| sub nom | Abbreviation of sub nomine . |
| sub nomine | Latin: under the name of. |
| subnormal | Term once used to describe a person with low intellectual powers. Such people are now described as lacking mental capacity or with learning difficulties. |
| suboptimisation | Management term for the problem when a director is so keen on exploiting one favoured part of a business that he lets the business as a whole suffer. |
| sub-orbital activity | “Means launching, procuring the launch of, operating or procuring the return to earth of — (a) a craft to which subsection (5) applies, or (b) an aircraft carrying such a craft” (Space Industry Act 2018 s1(4)). |
| subordinate legislation | “Orders in Council, orders, rules, regulations, schemes, warrants, byelaws and other instruments made or to be made under any Act” (Interpretation Act 1978 s21). |
| subordinated loan | Loan which ranks after others regarding payment of interest or capital. |
| subpoena | Summons requiring a person to attend under penalty for failure to do so. |
| sub-prime | Description of lending to people of doubtful creditworthiness. The term is sometimes spelled without the hyphen. |
| sub-prime lending | Lending to people who cannot use the normal facilities for borrowing. |
| sub-prime mortgage | Mortgage for a higher-risk borrower. In the USA, the term referred to lenders with a FICO score below 620. |
| subprime mortgage crisis | Economic crisis which became evident in 2007 as a consequence of banks (particularly in USA) granting mortgages to those who could not afford the repayments. The demand for higher profits, and higher personal bonuses, prompted lenders to reduce the conditions for granting mortgages. These included the notorious liar loans and 125% mortgages . In the USA, about 80% of mortgages are at variable rate. Interest rates rose in 2006 as house prices fell. This led to soaring mortgage defaults. As homes were often worth less than the mortgage, foreclosure became common, which exacerbated the problem. The problem was further exacerbated by mortgages having been |

securitised into a financial product that was then traded without people being fully aware of what they were buying. When the bubbles burst, it took a while for the consequences to become fully apparent.

subpurchaser

Person who buys property immediately after the seller has purchased it. This is called a **sub-sale** and may be relieved from stamp duty.

subreption

Obtaining an advantage by misrepresenting or concealing the truth. The term is particularly used in ecclesiastical law.

In Scots law, the term means a gift of escheat.

subrogate

In law, put in place a person to another person's rights.

sub rosa

In a state of secrecy. The term is Latin for under the rose, a traditional sign of secrecy.

subroutine

In computing, a self-contained part of a complete computer system that can be called into use at any time during the running of the main program.

sub-sale

When a buyer acquires goods to sell to another buyer.

Normally there are no legal consequences as the sub-sale is simply regarded as a second contract for sale. There are some special provisions regarding sub-sale as it affects **seller's lien** in Sale of Goods Act 1979 s47.

For stamp duty land tax, the sale of a property by a purchaser to a subpurchaser. A subsale can be relieved from duty. This commonly applies when builder A sells to developer B who sells to buyer C, such as when units are sold off-plan. For SDLT purposes, this is treated as a sale from A to C. The provisions were amended by Finance Act 2013 to counter avoidance schemes. Under the 2013 Act, relief is given on the same basis subject to many anti-avoidance provisions, but B must now file a return to HMRC.

sub-sale relief

Relief from stamp duty land tax given on a **sub-sale**. The relief is given by Finance Act 2013 s195.

subscribe

Apply for shares in a new company.

subscriber

Person who applies for shares in a new company.

subscriber trunk dialling (STD)

Telephone system that allows a caller to dial a remote number directly without having to use a telephone operator. In the UK, STD was introduced between 1958 and 1979 by allocating codes for each exchange. Previously a caller had to contact a telephone exchange and ask the operator to make the call.

subscribing employee

Employee who subscribes for shares in the company that employs him. The definition includes directors.

In relation to **priority share allocations**, the term is defined in Income Tax (Earnings And Pensions) Act 2003 s547(6).

subscription (1) Payment and application to buy shares in a new company.
(2) Money paid in advance for a time-based service, such as membership of an organisation or to buy a series of publications.
The VAT position for subscriptions to a club or association are given in VAT leaflet 701/5.

subscription deduction arrangements Arrangements between a trade union and an employer whereby a worker may agree to have his union dues deducted from wages and paid to the union. Under Trade Union and Labour Relations (Consolidation) Act 1992 s68 this requires the written authority of the worker who may withdraw that authorisation whenever he wishes.

subscription price Price at which new shares in an existing company are offered for sale.

subsequent relevant transfer For overseas pensions, this term is defined in Finance Act 2004 Sch 34 para 1(6D) as inserted by Finance Act 2017 Sch 4 para 2.

subserve Serve in a subordinate role.

subsidiarity Policy of transferring control from a central body, such as a head office or central government, to local bodies. The opposite is known as **centralisation**.

subsidiary *Company law*
“A company is the “subsidiary” of another company, its “holding company”, if that other company —
(a) holds a majority of the voting rights in it, or
(b) is a member of it and has the right to appoint or remove a majority of its board of directors, or
(c) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it”
(Companies Act 2006 s1159(1).

Supplementary provisions are given in Companies Act 2006 Sch 6.

The company which owns the subsidiary is called the **holding company** (Companies Act 2006 s136), or sometimes the **parent company**.

A subsidiary may not own shares in its holding company (Companies Act 2006 s136(1)(a)) with exceptions for

- holdings before the relevant law started;
- when acting as a representative or trustee (ibid s138);
- when acting as a trustee of an employer’s pension fund (ibid s139); or
- when acting as a dealer in securities (ibid s141).

Accounting

“An entity, including an unincorporated entity such as a partnership, that is controlled by another entity (known as the parent)” (FRS 102 glossary).

“A subsidiary is an entity that is **controlled** by the parent. **Control** is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities” (FRS 102 section 9.4).

In general terms, control determines the accounting treatment according to how much of the share capital or how many votes the parent has, thus:

- more than 50%: subsidiary
- between 20% and 50%: associate company
- less than 20%: investee company.

A subsidiary company is accounted by adding all items in its accounts to those of the parent company. To the extent that the parent company does not own 100% of the shares, this is reflected by a figure for **minority interest** shown with the capital on the balance sheet.

An associate company has the percentage equal to the shares owed applied to the company's assets and added to the parent's figures. So if P owns 40% of A, P will add to its own figures, 40% of A's turnover, assets, profit etc. There is no figure for non-controlling interest (minority interest).

An investee company is shown as an investment in the accounts. No figures from the company's accounts are added to the parent company's.

The accounting treatment for the acquisition or disposal of a subsidiary is given in FRS 102 from section 9.18.

Corporation tax

For corporation tax, the general rule is that a subsidiary is a company where the parent owns or controls more than 75% of the company (Corporation Tax Act 2009 s765).

For a sub-subsidiary, the parent must have effective control of more than 50% (ibid s766).

| | |
|-----------------------------------|---|
| subsidiary account | Bank account or similar which may be used by some members of an organisation which holds another account. An example is where a company puts money into an account for an employee to use on business. |
| subsidiary analysis | Bookkeeping method of keeping control of very large ledgers by splitting them. An example is where customers are broken down into four sales ledgers according to their name as A-D, E-K, L-R and S-Z. Such methods are not required for computerised accounting. |
| subsidiary company | Company in a group which is controlled by another (the parent company). Sometimes called subsidiary undertaking . |
| subsidiary trading company | Trading company owned by a charity. For tax purposes, it is taxed as a trading company and not as a charity. For direct taxes, this is easily overcome by covenanted the company profits to the charity. For indirect taxes, particularly VAT, there is no tax relief. |
| subsidiary undertaking | Undertaking of which another undertaking is its parent undertaking . |
| subsidie | Early form of income tax charged between 1435 and 1436, based on experiments of 1404 and 1411. The subsidie was charged at 6d in the pound on annual incomes from £5 to £100; 8d from £100 to £400, and two shillings (10%) above £400. (This last rate was adopted when income tax was |

introduced in 1799.)

- subsidies** (1) Taxes demanded by monarchs in 16th and 17th centuries for specific purposes such as wars.
(2) Plural of **subsidy**.
- subsidise** Pay part of the price to assist or encourage others. At various times, the government has subsidised the sale of food or property. **Tax breaks** are a form of government subsidiary.
In relation to electricity generation, the term is given a specific meaning in Income Tax Act 2007 s198A(3) as inserted by Finance Act 2014 s56(3). This denies such activity from qualifying for tax relief under **enterprise investment scheme**.
- subsidised accommodation** Accommodation where the occupant does not pay the whole cost. If the balance is paid by the employer, the employee may be liable to pay income tax on the amount of the subsidy.
- subsidised expenditure** In relation to research and development, this term is defined in Corporation Tax Act 2009 s1138.
In relation to land remediation expenditure, this term is defined in Corporation Tax Act 2009 s1177.
- subsidised facilities** Facilities provided at less than the full price.
When provided to an employee, this may create a taxable benefit in kind.
- subsidy** (1) Money given to something which is either not profitable, or where money is provided to make something affordable or to promote its use as a matter of public policy.
(2) Land tax charged between 1083 and 1163 of 72 pence per hide of land (between 60 and 180 acres depending on soil quality). The Domesday Book was compiled to form a register.
- subsistence** Payment for everyday living. The term is sometimes used for payments to employees for fares, accommodation and food while travelling on business.
- subsisting interest in possession** For inheritance tax, this term is defined in Inheritance Tax Act 1984 s80(7) as inserted by Finance (No 2) Act 2015 s13.
- substance** (1) In accounting, information in the financial statements should show the economic or commercial substance of a situation.
(2) A chemical mixture or compound. The term is used in VAT leaflet 701/1 in relation to drugs for medical research which may be zero-rated. A substance may be solid, liquid or gas, and may be a natural or artificial product. If a gas, any zero-rating extends to cylinder rental.

substance of the document For stamp duty, examination of a document to ascertain its nature to determine the credit amount of duty payable.

substance of transactions Term used in identifying the nature of a financial transaction. This involves identifying assets and liabilities, and recognising them. Details are provided in FRS 5 paras 16-38.

substance over form One of the **qualitative characteristics** required in financial statements.

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Transactions and other events and conditions should be accounted for and presented in accordance with their substance and not merely their legal form. This enhances the **reliability** of financial statements.
— *Financial Reporting Standard FRS 102 section 2.8*

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In previous accounting standards, this is a basic accounting concept which requires that accounting transactions are reflected in the accounts according to the underlying substance of the transaction rather than to its legal form.

The following statement appears in FRS 5 para 14: "A reporting entity's financial statements should report the substance of the transactions into which it has entered. In determining the substance of a transaction, all its aspects and implications should be identified and greater weight given to those more likely to have a commercial effect in practice. A group or series of transactions that achieves or is designed to achieve an overall commercial effect should be viewed as a whole".

This principle can lead the accounting differing from the legal form in such areas as fixed assets acquired on a **finance lease**, **consignment stock** and goods bought or sold with **reservation of title**.

substandard risk Insurance term for a risk of a claim which is higher than average.

substantial In finance, large and significant in relation to other items.

substantial acquisition In relation to **annual tax on enveloped dwellings**, this broadly means an addition costing at least £40,000 (Finance Act 2013 s103(1)).

substantial and habitual visits rule Rule that is used to determine **ordinary residence** before 6 April 2013.

substantial donor In tax, person who contributes a large sum to a charity.
Special provisions were introduced in 2006 as Income and Corporation Taxes Act 1988 ss506A-508C and Income Tax Act 2007 ss 549-557, to prevent substantial donors using charity relief for tax avoidance. The main provision is that the relief is withdrawn to the extent that the donor receives any significant benefit.

A substantial donor is one who donated at least:

- £25,000 in the last year, or
- £150,000 in the last six years.

substantially invested Description of **offshore fund** that holds more than 60% of its assets in interest-bearing form. There are special tax provisions for dividends paid from

such a fund.

substantial non-cash asset In company law, an asset other than cash whose value exceeds either:

- 10% of the company's value *and* £5,000; or
- £100,000.

If a transaction for such an asset is made with a director, the company must usually obtain members' approval under Companies Act 2006 s190.

substantial property transaction

In company law, a transaction which exceeds either:

- 10% of the company's value *and* £5,000; or
- £100,000.

If such a transaction is made with a director, the company must obtain members' approval under Companies Act 2006 s190.

substantial shareholder exemption (SSE)

This broadly exempts from tax the gain on selling shares where the seller owned at least 10% of the shares for at least 12 months out of the previous 24.

The law is contained in Taxation of Capital Gains Act 1992 Sch7AC and applies for periods after 31 March 2002.

This provision is extended to situations where:

- (a) at least 25% of the ordinary share capital is held by institutional investors,
- (b) the investing company holds ordinary shares with an acquisition cost of at least £20 million,
- (c) the investing company is entitled to a proportionate share of profits.

These provisions are contained in Transfer of Capital Gains Act 1992 Sch 7AC para 8A as inserted by Finance (No 2) Act 2017 s28(3). The provisions apply to disposals made from 1 April 2017.

substantial shareholding For accounting, any shareholding of more than 3%. Such a shareholding must be disclosed in the company's accounts, identifying the shareholding and percentage of shares held.

substantially unfurnished Description of premises which contains insufficient furnishing to allow someone to live there. Such a premises may qualify for a lower rate of **council tax** for six months.

substantive Referring to the subject matter than a procedure. For example, a substantive motion in a debate is whether to buy new premises. A procedural motion is whether to end discussion and proceed to taking the vote on the substantive issue.

substantive issue The main issue in dispute in legal proceedings. This contrasts with a **preliminary issue** that deals with such matters as procedure or **hardship applications**.

- substantively enacted** In relation to the accounting treatment for deferred tax: "tax rates shall be regarded as substantively enacted when the remaining stages of the enactment process historically have not affected the outcome and are unlikely to do so.
"A UK tax rate shall be regarded as having been substantially enacted if it is included in either:
(a) a Bill that has been passed by the House of Commons and awaiting only passage through the House of Lords and Royal Assents; or
(b) a resolution having statutory effect that has been passed under the Provisional Collection of Taxes Act 1968. (Such a resolution could be used to collect taxes at a new rate before that rate has been enacted. In practice, corporation tax rates are now set a year ahead to avoid having to invoke the Provisional Collection of Taxes Act for the quarterly payment system.)
"A Republic of Ireland tax rate can be regarded as having been substantively enacted if it is included in a Bill that has been passed by the Dail"
(FRS 102 glossary).
- substantive trust fund** Trust which contains the funds for which it was set up, as against a **nominal trust fund** which holds a small amount to allow the trust to be set up.
It is common practice to create a trust with a nominal sum such as £10. This means that the trust is ready when the more valuable assets are ready to be settled into the trust.
- substituted remuneration** Lump sum received in lieu of normal pay. The inspectors' manual at EIM 00670 states that this is taxable as employment income under Income Tax (Earnings And Pensions) Act 2003 s62. A leading case on this is *Bolam v Muller [1947] 28TC471*.
- substitute scheme** In relation to occupational pension schemes, this term is defined in Finance Act 2004 s199A(6).
- substitution** When one thing is used as an alternative or replacement for another.
Substitution is a significant factor in determining whether a contract is of employment. The right to substitute a worker is strong evidence that the contract is not of employment.
- substitution effect** One of the two labour supply responses to a change in tax policy. The other is the **income effect**.
The substitution effect is when individual behaviour leads to a change in tax paid. For example, a reduction in income tax leads to greater disposable income which could boost VAT receipts from higher spending.
- substantive law** Law as it relates directly to matters, as opposed to procedural matters. Such law is known as **adjectival law**.
- substitute value** Value that may be used when stock is transferred between businesses. The matter is discussed in the Inspectors' Manual at BIM33500.

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| substratum | Old term literally meaning bottom or basis. A company may be wound up if its substratum has gone, namely when the basis for which the company was formed is impossible to continue. |
| sub-subsidiary | Subsidiary of a subsidiary. |
| subsume | To take in under a more comprehensive form. |
| subtenancy | Tenancy where the property is let by someone who is himself a tenant and not the landlord. |
| subtenant | Tenant who occupies property from another tenant, and not from the landlord. |
| subthreshold | In psychology, not sufficient to trigger a response. |
| subtotal | Total to which further figures may be added. It is sometimes hyphenated as sub-total. |
| subtraction | (1) Mathematical process of reducing one number by another. In the equation: $10 - 3 = 7$ 10 is the minuend, 3 is the subtrahend, and 7 is the difference. (2) In law, neglect or refusal to perform a duty or a service. |
| subvention | Another term for subsidy . |
| sub voce | Latin: under the title. |
| SUCB | Single use carrier bag. |
| succès d'estime | French: success of esteem. A success that with more honour than profit. |
| success fee agreement | For Scotland, there are legal provisions in Civil Litigation (Expenses and Group Proceedings) (Scotland) Act 2018 s1(1). |
| succession | Process by which one person takes over the rights, duties or property of another, particularly the right to take over property on death. The law on this is explained in executorship . |
| succession duty | One of the death duties . It was charged under Succession Duty Act 1853. The duty was repealed by Finance Act 1949 s27 from 30 July 1949. The current equivalent is inheritance tax . |
| succession planning | Human resources term for the processes put into place to replace key people as necessary. |
| Succession to the Crown | Right to accede to the British throne. This is governed by a mixture of tradition and statute law, and (historically) by force. Succession to the Crown Act 2013: <ul style="list-style-type: none">• restores to the succession those who have married a Roman Catholic |

- abolishes male preference for members born after 28 October 2011.

The Act will become law when equivalent laws have been enacted in the 15 other realms where the Queen also reigns.

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| successive life interests | Arrangement when a life interest trust nominates a series of beneficiaries, so when the interest of one beneficiary expires, the benefit passes to another identified beneficiary. |
| successor company | <p>In relation to the tax provisions for merged venture capital trusts, this is defined in Income Tax Act 2007 s323(3).</p> <p>The term is also used to mean a company that takes over from an employing company in an employee share scheme (Inspector's Manual at BIM 44300).</p> |
| successor election | The designation, in writing by a donor, of a person to be assigned the rights and duties associated with the donor's account at the Charitable Gift Fund upon the donor's death. Successors are eligible only after the deaths of all donors named on the account. The donor designates an individual as the successor, or the donor may choose to recommend that one or more charitable organizations receive the proceeds of any remaining units in the account upon the donor's death. |
| successor in title | Person who will succeed to a right, particularly in intellectual property. |
| successors' annuity | In relation to taxation of pensions, the term is defined in Finance Act 2004 Sch 28 para 27FA(1) as inserted by Finance Act 2015 Sch 4 para 5. |
| sucker | Colloquialism for a person who is easily deceived. |
| suck up to | Colloquialism meaning to seek favour by obsequious behaviour. |
| sucre | Currency of Ecuador. It has 100 centavos. |
| SUD | Single-use device. |
| Sudan | Country of West Africa. Its currency is the Sudanese pound of 100 piastres. The UK has a double taxation convention of 1975. |
| Sudanese pound | Currency of Sudan. |
| SUDS | Sudden unexplained death syndrome. |
| sue | Issue proceedings in civil law. |
| Suff | Abbreviation: Suffolk. |
| sufferance wharf | Old term for what is now known as an approved wharf for Customs purposes. |
| sufficient but not adequate | Description of consideration for a contract. "Sufficient" means that there must be some consideration, while "adequate" means that it need not reflect |

the true value of the benefit received. Many valuable items have been sold for a nominal £1 as a means of creating a contract for what in reality is a gift or disposal.

sufficient ties test

For the **statutory residence test**, a test that is made if a taxpayer's residence cannot be determined by any of the automatic overseas resident tests or automatic UK resident tests.

The taxpayer must consider four ties: family tie, accommodation tie, work tie and 90-day tie. If the taxpayer has been UK resident for any year in the previous three tax years, a fifth tie, the country tie, must also be considered.

Residence is then determined by considering the number of ties that are met according to days spent in the UK during the tax year. The more days spent in the UK, the fewer ties must be met to be regarded as non-resident. Tables are produced of the number of ties for days spent in the UK.

suffix

A letter, mark or similar added to number, word or similar. The letter at the end of a tax code is a suffix.

suffragan bishop

Assistant bishop appointed under Suffragan Bishops Act 1534 as amended by Suffragan Bishops Act 1898.

suffrage

Right or power to vote.

sugar

Sweet food substance. As food, it is zero-rated for VAT.

Historically it has been subject to an excise duty known as sugar tax. This was abolished in 1962.

sugar content condition

For soft drinks industry levy, "a packaged soft drink meets the sugar content condition if it contains —

(a) **added sugar ingredients**, and

(b) at least 5 grams of sugars (whether or not as a result of containing added sugar ingredients) per 100 millilitres of prepared drink"
(Finance Act 2017 s29(1)).

sugar tax

Nickname given to **soft drinks industry levy**. The term previously applied to an excise duty abolished in 1962.

suggestion award

Award made to an employee in respect of their suggestion. This is tax-free up to a permitted amount under Income Tax (Earnings And Pensions) Act 2003 s322.

sugging

Term coined in 2015 for the practice of fraudsters pretending to be market researchers to obtain personal details, such as for sales calls or identity theft.

suicide

Killing oneself, or a person who does.

Suicide ceased to be a crime under Suicide Act 1961, though assisting a suicide remains an offence under s2. Before 1822, the assets of a suicide passed to the state and not to beneficiaries.

A suicide pact is illegal under Homicide Act 1957 s4.

Life insurance contracts often contain a **suicide clause** and **contestability clause** in relation to suicides.

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| suicide clause | Clause in a life insurance policy that denies a payment if the suicide was within a defined period of taking out the policy. This is often two years but can be one year. |
| sui generis | In planning law, the term used for any development for which there is not a use class order . Such developments include theatres, houses in multiple occupation, hostels providing no significant element of care, scrap yards, petrol filling stations, motor showrooms, retail warehouse clubs, night clubs, laundrettes, taxi businesses, amusement centres and casinos. |
| sui juris | Latin: of full capacity. The term describes a person who has legal capacity and is not, for example, under age, lacking mental capacity or bankrupt. |
| suing and labouring clause | Term in a policy of marine insurance as set out in Marine Insurance Act 1906 s78. It broadly allows those in charge of a vessel to do what is necessary to save the ship and its cargo without invalidating the policy. |
| suit | (1) Law suit. (2) Matching garments, such as trousers and jacket, or skirt and jacket, which are seen as smarter than normal clothes. They are sometimes prescribed as compulsory in offices. (3) Colloquial term for person who acts as an unthinking functionary, so-called from wearing a suit. |
| Sukkoth | Eight-day Jewish harvest festival. |
| sullage | Filth, sewage, such as a build up in a pipe. |
| sum | (1) An amount of money. In relation to lease premiums, the term "includes the value of any consideration" (Corporation Tax Act 2009 s246(4) and 247(1)). For income tax, this definition is given in Income Tax Act 2007 s614DG. (2) Total; result of adding two or more numbers or amounts are added. (3) Currency of Uzbekistan. It comprises 100 tiyin. |
| sum at risk | Amount which a person risks losing. This may be in the form of start-up capital or investment. |
| summa cum laude | Latin: with greatest distinction. Accolade given to a worker or office holder. |
| summarising | Counselling skill of identifying main elements in a problem. |
| summary | In law, description of proceedings that may be engaged without further reference to the court. |
| summary dismissal | Instant dismissal when an employee's conduct is such that the employer cannot reasonably expect the employment to continue during a notice period. |

Summary dismissal is usually considered appropriate for violence, excessive abuse, vandalism and complete refusal to obey a lawful order. Such a dismissed employee is entitled to payment up to dismissal, but not to payment in respect of the notice period.

summary warrant

In Scotland, order granted to a government body or local authority to recover a debt. Provisions for its use to recover tax are given in Finance Act 2008 s128.

summer time

“The time for general purposes in Great Britain shall, during the period of summer time, be one hour in advance of Greenwich mean time” (Summer Time Act 1972 s1(1)).

Summer time was first used in USA in 1784 and is now used in about 70 countries. In the UK it was introduced under Summertime Act 1916.

As a wartime measure, Greenwich mean time was advanced by one hour and summer time was Greenwich mean time advanced by two hours, known as double summer time. This ended in 1947.

In 1968, as a three-year experiment, clocks were set to summer time for the whole year. The dark mornings proved unpopular and the idea was abandoned in 1971.

summons

Legal notice from a court served on a person who must respond.

summum bonum

Latin: the chief good. The term means the ultimate ethical objective.

summum jus summa injuria

Latin: extreme law is extreme injury.

sum of the digits

Method of calculating **depreciation**, not widely used in practice. It is sometimes known less accurately as the **rule of 78**.

The method works by adding up digits representing the number of (usually) years of the estimated life of a **fixed asset**. Each year the depreciation charge is calculated by multiplying the asset value by a fraction. The **numerator** is the number of the year, starting with the highest. The **denominator** is the sum of the digits. So if an asset has an estimated life of four years, depreciation is charged as 4/10, 3/10, 2/10 and 1/10 respectively.

The method is sometimes favoured over the much more common **straight line method** as it provides greater depreciation in the early years when most fixed assets suffer the greatest loss of value. The argument against this is that there is no indication that the relative loss of values will be fairly represented by numerators based solely on the number of years.

The formula for calculating the sum of the digits from 1 to n is:

$$\text{Sum} = \frac{n(n+1)}{2}$$

sum of the relevant state pensions

Term used in Pensions Act 2014 s7(5).

sum of the years' digits

Method of depreciation which uses the **sum of the digits** method based on the number of years of an asset's estimated useful life.

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| sumptuary laws | Laws designed to restrict consumption. Such laws were common in Roman times. English laws to similar effect were largely repealed by James I, and have only been re-introduced during wars. |
| sumptuary tax | Any tax that is imposed partly or wholly to dampen demand for social reasons. This is the basis for most excise duties and is a factor in other taxes. Such a tax is also called a Pigovian tax. |
| sums chargeable to the reserve | Sums which may be debited to an organisation's reserves. |
| sums payable instead of rent | Income tax treatment is given in Income Tax (Trading and Other Income) Act 2005 from s279. |
| SUN | Service user number , used by banks for direct debits. |
| Sun | Sunday. |
| Sunday | First day of the week; Christian Sabbath. There are special laws regarding Sunday working and Sunday trading. The expected week of childbirth for statutory maternity pay always starts on a Sunday. |
| Sunday working | Working on a Sunday. Workers in shops and betting offices may serve a notice on their employer that they will not work on a Sunday, for which they must suffer no detriment. The law is Employment Rights Act 1996 ss36-43. The rights started on 26 August 1994 for shop workers and from 3 January 1995 for betting shop workers. |
| Sunderland ARC Ltd | Body designated as an urban regeneration company under Income and Corporation Taxes Act 1988 s79B (Urban Regeneration Companies (Tax) (Designation) Order SI 2004 No 439 para 2). |
| sundry | In accounting, category of expenditure for items which do not have their own category. |
| sunk cost | Management accounting for an item which has been spent, cannot be unspent, and is therefore ignored in decision-making. Suppose someone spends £1,000 repairing a car. He then finds that he needs to spend another £1,200 to make the car roadworthy or he can spend £1,500 to buy another car which is roadworthy and of equivalent worth. The £1,000 is a sunk cost and therefore ignored. The decision is whether to spend £1,200 on repairs or £1,500 on purchase. The former is the better option. |
| Sunna | Arabic: custom, divine law. The traditional sayings and teachings of Mohammed. |

| | |
|--------------------------|---|
| sunset clause | Clause in a law, contract or similar that states when the provisions will cease. Many short-term tax incentives contain sunset clauses. |
| sunshine activity | Activity that is pursued because the conditions are favourable rather than for other reason such as urgency. The term comes from the expression "fixing the roof while the sun is shining". |
| suo jure | Latin: in one's own right. |
| suo loco | Latin: in the right place. |
| suo moto | Latin: on one's own initiative. |
| Sup Ct | Abbreviation: superior court or Supreme Court. |
| superannuate | Old term for a person receiving a pension under a superannuation scheme. |
| superannuation | Pension paid to someone who is too old or ill still to work. |
| supercargo | Person employed by a ship charterer to sell a cargo overseas. |
| supercomputer | Computer of much greater computing power than normal. |
| supererogation | In theology, good works that are not required and which may therefore be regarded as better. |
| superior | Person of higher rank to another. |
| super-majority | <p>Any system of voting which requires more than 50% of the votes for a motion to be carried.</p> <p>A super-majority is usually restricted to matters which are considered so serious or fundamental that a simple majority is regarded as insufficient. A super-majority typically requires two-thirds, 75% or even 90%.</p> <p>Company law requires a super-majority for special resolutions.</p> <p>In some situations, a 100% majority is required, such as to turn a limited company into an unlimited company, or for a partnership to admit a new partner.</p> <p>Scotland Act 1998 s31A (as inserted by Scotland Act 2016 s11) requires a super-majority of two-thirds in the Scottish Parliament for certain provisions, mainly relating to voting rights.</p> |
| supermarket | Large retail store, usually operating on a self-service principle. |
| super podcast | Term used by HMRC for a recorded audio explanation that can be downloaded and listened to. The first super podcast was announced on 1 March 2010 and explains to businesses how they may pay VAT, PAYE and corporation tax. |
| super profit | <p>Profit above that ordinarily expected.</p> <p>For example, a restaurant might be expected to earn a net profit of 15%</p> |

of turnover. Any profit greater than this might be designated a super profit.
Such figures are sometimes used to calculate commission or goodwill.

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| super-royal | Old large paper size. |
| superscription | Something written or engraved above an image. |
| super spike | Very rapid or unprecedented rise in a commodity price, as for oil in 2008. |
| superstitious uses | Object of a trust for the propagation of a rite not permitted by law. Such an object invalidates the trust. |
| superstructure | Part of a building, ship or similar above the foundations or main deck. |
| supertanker | Very large floating vessel, particularly used for transporting oil. |
| supertax | Additional form of income tax charged between 1909 and 1920 when it was replaced by surtax . |
| supervening trade | Trade which is created after a non-commercial activity. If someone inherits an asset and then sells it at a profit, the sale can only be taxed as a trade if it can be shown that the asset became trading stock after inheritance. The matter is discussed in the Inspectors' Manual at BIM20315. |
| supervision | In regard to disability living allowance , a distinction is made between attention and supervision. Attention means that another person must do something for the disabled person, whereas supervision means simply that a person must be present while the disabled person does the task |
| supervisor | (1) Person who is a worker's immediate boss. (2) In an IVA, insolvency practitioner appointed to oversee the IVA. |
| supervisor password | In computing, a password that may be used by a senior person in an organisation to access websites or perform computer functions that are not permitted by less senior staff. |
| super visum corporis | Latin: upon view of the body. Term for a procedure of the coroner . |
| supplemental deed | Deed that must be read in conjunction with another deed. |
| supplementary benefit | Name for an old social security benefit. |
| supplementary charge | Value added tax In VAT, a charge made in respect of a known future increase to counter avoidance in defined circumstances. For example, in 2010, a supplementary charge of 2.5% could be imposed in respect of the published increase in VAT rate from 17.5% to 20%. Corporation tax |

For corporation tax, an additional charge on the profits of the oil industry (Corporation Tax Act 2010 s330).

supplementary contribution Further sum paid by HMRC into a child trust fund if certain conditions are met (Child Trust Funds Act 2004 s9).

Supplementary Fund Protocol Protocol of 2003 which establishes a Supplementary Fund for pollution damage from merchant ships (Merchant Shipping (Pollution) Act 2006 s1(1)).

supplementary petrol duty An addition to **petroleum revenue tax** charged for four half-yearly periods in 1981 and 1982.

supplementary protection certificate (SPC) European certificate issued in respect of goods confirming that they are protected by a **patent**.

supplementary tax invoice An invoice issued to adjust the amount of VAT previously charged for a supply.

supplier Person who sells goods or services to a person or business.

suppliers' payment period Average number of days credit taken from suppliers.

supplies In Parliamentary parlance, sums voted and grants authorised other than from the Consolidated Fund.

supply Provision of goods or services. If made in the course of a trade, a supply is subject to VAT at the appropriate rate.
The term "supply" is wider than provision under a contract. For VAT purposes, a supply also includes free gifts, self-supply and some compensation payments.

supply and demand Basic principle of economics that any imbalance between supply and demand affects the price of goods or services in a free market.

supply relationship For the purposes of the **Small Business Commissioner**, "a small business has a supply relationship with a larger business or public authority if —
(a) the small business has an agreement to supply, had supplied or may supply, goods or services to the **larger business** or public authority, or
(b) the larger business or public authority has an agreement to supply, has supplied or may supply, goods or services to the small business"
(Enterprise Act 2016 s3(10)).

supply side economics Theory that economic activity is a function of the supply side of money, and that the level of economic activity can be regulated by increasing or decreasing the supply of money by such means as taxation.

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| supply VAT | The VAT due on supplies of goods and/or services deemed to be made in the UK. |
| support | Means by which a person gets the necessary financial and material resources to live. |
| support component | An addition to the basic allowance of employment support allowance that may be paid in the main phase after the assessment phase (usually of 13 weeks) has ended. The component is paid when someone has a limited capability for work. |
| supported permitted work | Work up to a defined limited provided by a local authority or other body designed to assist people back into employment. Such work may be undertaken by an employment support allowance claimant. |
| Support for Mortgage Interest (SMI) | Part of the social security system that provides help with paying mortgage interest. It is paid directly to the lender. From 6 April 2018, it is replaced by repayable loans. |
| supporting documents | Any written material which indicates the truth of a statement. Taxes Management Act 1970 s12B(6)(b) states "supporting documents includes accounts, books, deeds, contracts, vouchers and receipts". In relation to tax in Scotland, "includes accounts, books, deeds, contracts, vouchers and receipts" (Revenue Scotland and Tax Powers Act 2014 s74(11)). |
| support price | Price in the EU at which a government will buy farm produce to stop its price falling. |
| Supported Capital Expenditure (Revenue) | Capital schemes for which the government will provide revenue support. This was introduced from 2004/2005 to provide revenue support for traditionally funded capital schemes and replaces credit approvals. |
| support plan | In relations to the care of an adult, a document produced by a local authority in relation to the support given to the carer of an adult (Care Act 2014 s25). |
| suppression veri | Latin: suppression of the truth, misrepresentation . |
| supra | Latin: above. The term is sometimes used in legal reports to indicate a matter previously covered. |
| supra protest | Method of accepting a dishonoured bill of exchange by someone who was not an original party (Bills of Exchange Act 1882 s65). |
| Supreme Court | The term now usually means the final appeal court of the UK, established by Constitutional Reform Act 2005 s23. This replaced the House of Lords from 1 October 2009. |

The first tax case it heard was *Grays Timber Products Ltd v HMRC [2010] All ER (D) 31 (Feb)* which held that when employer-related shares are sold for more than their true value, the excess is chargeable to income tax as employment income.

The term also means a wider system of courts.

Thus, "Supreme Court" means:

"(a) in relation to England and Wales, the Court of Appeal and the High Court together with the Crown Court;

(b) in relation to Northern Ireland, the Supreme Court of Judicature of Northern Ireland" (Interpretation Act 1978 Sch 1).

Also, Supreme Court "shall consist of the Court of Appeal and the High Court, together with the Crown Court established by this Act" (Courts Act 1971 s1). This definition is introduced from 1 February 1991.

The term is widely used as the final court of appeal in other jurisdictions, such as the USA.

sur Latin: upon. The word is sometimes used to indicate on what law an action is founded.

surcharge Additional charge imposed.

surchargeable unauthorised employer payments

Payments made from a pension fund that are subject to the provisions of Finance Act 2004 s213.

surchargeable unauthorised member payments

Payments made from a pension fund that attract additional tax charges under the provision of Finance Act 2004 s210.

surcharge allowance In relation to corporation tax surcharge on banks, a form of group relief that may be claimed. Details are given in Corporation Tax Act 2010 s269DA(3).

surcharge on banking companies

Additional 8 percentage points of corporation tax payable by banks from 1 January 2016 under Corporation Tax Act 2010 from s269D as inserted by Finance (No 2) Act 2015 Sch 3.

surcharges on employers Tax provided for under Finance Act 1961 s30, commonly known as **payroll tax**. It allowed the Treasury to impose an additional tax on employers to be collected with employer's national insurance. The tax was never implemented.

surd Mathematical number that cannot be expressed as an exact number, such as π or the square root of 10.

Sure Start maternity grant **Social Fund** payment to a woman on means-tested benefits who gives birth.

The amount of £500 is paid if:

- a person is expecting a first child, or is expecting twins (or other multiple birth) and already has children, and
- the person or partner is receiving certain benefits.

The grant must be claimed up to 11 weeks before the baby is expected or up to 3 months after the baby is born.

The amount is doubled to £1,000 for triplets.

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| surety | Deeds or other valuable assets which are offered as a security that someone will do something, or a person who makes a similar promise on behalf of someone else. |
| SURF | Abbreviation: spent unprocessed fuel. |
| surface mail | Mail sent by any means other than by air. |
| surface runoff | “Rainwater (including snow and other precipitation) which — (a) is on the surface of the ground (whether or not it is moving), and (b) has not entered a watercourse, drainage system or public sewer”. (Flood and Water Management Act 2010 s6(5)). |
| surfeit | Excess. |
| surge | Sudden uprush or increase. |
| surgery | Generally surgery is not a tax-deductible expense. A leading case is <i>Prince v Mapp</i> [1969] 46TC169, which is discussed in the Inspectors' Manual at BIM37945. |
| Suriname | South American country. Its currency is the Suriname dollar of 100 cents. The UK has no double taxation treaty. |
| Suriname dollar | Currency of Suriname. |
| sur le tapis | French: on the cloth. The term means under discussion. |
| surplus | Excess of income over expenditure. This is the equivalent to profit for a non-trading body. |
| surplus business accommodation | Accommodation that has been used for the taxpayer's trade or was acquired for use in the trade within the previous three years (Income Tax (Trading And Other Income) Act 2005s21). A trader may let out such accommodation for a period of up to three years and treat the income and expenses as being part of the trade. |
| surplus earnings | For universal credit , monthly earnings of more than £2,500. Such earnings are carried forward and added to the following month's income. If that month's income, including the surplus, exceeds £2,500, payments of universal credit stops. If income subsequently falls below £2,500, a fresh claim may be made. |

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| surplus earnings factor | Figure calculated by reference to a person's earnings for the purposes of calculating entitlement to state second pension. |
| surplus-increasing transfer of assets | "A transfer of assets to the transferor's long-term insurance fund to the transferee which is not brought into account for any period of account of the transferee but increases the amount of total surplus shown in line 39 of Form 58 in any periodical return of the transferee" (Income and Corporation Taxes Act 1988 s444AEA(6)). This refers to the tax implications on a transfer of life assurance business. |
| surrebuttal | In law, evidence of a claimant in reply to a defendant's rebuttal. |
| surrender | Where an investment or policy is cancelled. The holder may receive a reduced payout, due to the impact of charges. |
| surrenderable amount | Amount of loss that a company may surrender to another company as group relief (Corporation Tax Act 2010 s139). |
| surrendering company | In group relief , a company that makes a loss that is offset against the profits of a claimant company in the same group . The law is contained in Corporation Tax Act 2010 Part 5. |
| surrender of lease | Corporation tax provisions are given in Corporation Tax Act 2009 s220. |
| surrender of share | Giving up a share or shares by a member of a company. The company may accept this is allowed by the articles of association . |
| surrendering company | Company in a group which surrenders its loss relief to another group company (Income and Corporation Taxes Act 1988 s402(1)). The other company is known as the claimant company. |
| surrender period | For group relief , accounting period for which a loss is passed to another company (Corporation Tax Act 2010 s142). |
| surrender value | The amount of money paid to the policyholder by the insurer when certain types of life policy are discontinued before the full benefit becomes payable. |
| surrogacy | Substitution, particularly when a woman bears a child for another. For the purposes of employment law, the woman who bears the child, the birth mother, is entitled to maternity rights in the normal way, even though she may not intend to keep the baby. The other mother is regarded as having adopted the child and is entitled to adoption leave and adoption pay. |
| surrogate mother | Woman who bears a baby for another, often by artificial insemination from the male partner or by implanting of an embryo from the other. |
| surtax | Addition to income tax introduced in 1909. In 1973, it was replaced by income tax at the higher rate. This additional tax on income was controversial because it broke the |

principle that tax paid was in relation to income. This controversy was overshadowed by proposals to impose a 20% tax on increased land values, which sparked a two-year constitutional crisis.

Although surtax has been abolished, it may still be referred to in extant tax treaties made before 30 March 1971. In such cases, relief from surtax is construed to mean relief from higher rates of income tax (Income and Corporation Taxes Act 1988 s789).

surveillance system

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

survey method

In statistics, indirect method of data collection, usually when **direct observation** is not possible. Examples include asking people for opinions in questionnaires

surveyor

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

| From | Percentage |
|------------------------|------------|
| 4 January 2011 | 14.5% |
| 1 January 2010 | 13% |
| 1 December 2008 | 11% |
| 1 January 2004 | 13% |

surviving partner

Husband, wife or civil partner who outlives their partner.

This term is widely used in pensions and retirement planning. The normal assumption is that a surviving partner needs two-thirds of the income of the couple. Some expenses, such as food, halve on the death of a partner while other expenses, such as house insurance, remain the same.

A pension can have provisions for a surviving partner in a **joint life annuity**. A pension without such provision is known as a **single life annuity**.

For a private pension, choosing a joint life annuity can lead to a significant reduction in the amount of pension paid. The amount depends on the age of the partner which a greater reduction for a younger partner. A choice must also be made of how much of the pension should be paid to the surviving partner. The figure is usually 50% or two-thirds, but can be 100% or any other percentage.

On average, men marry women three years younger. If a 65-year old man with a 62-year old wife retires with a pension fund of £100,000, recent annuity rates indicate that he could receive a **level pension** of £616 a month. This would stop when he dies. To provide a pension to a surviving partner reduces the monthly pension to £519 for 50% pension, £501 for a two-thirds pension, or £473 for a full pension.

If the pension is **index-linked** the payments to the surviving partner are also index-linked.

If there is a **pension guarantee**, the payments to the surviving partner start when the guarantee period has finished.

For **occupational pensions**, the provision of a pension for a surviving

partner depends on the terms of the scheme. The maximum allowed is two-thirds. Such schemes also often include provisions for further pensions to children under 18, usually to a maximum of two-thirds of the surviving partner's pension, which is four-ninths of the full pension.

surviving spouse

A partner to a **marriage** who outlives the other.

From 1 January 1996, a surviving spouse must live for 28 days after their partner's death to inherit. This provision is contained in Administration of Estates Act 1925 s46(2A) as inserted by Law Reform (Succession) Act 1995 s1.

survivorship

Living after someone else, and the rights that follow from doing so.

survivor's pension

Term used in Pensions Act 2014 s7 in relation to a state pension entitlement inherited from a spouse.

survivorship clause

For inheritance tax, a condition that someone must survive to inherit. The disposition is treated as being made when the potential entitlement arises, except that a disposition that involves transferring property more than 12 months later does not give rise to a disposition until then. The law is Inheritance Tax Act 1984 s92.

suspect

"Person who is not yet the subject of formal criminal proceedings" (website of the Crown Prosecution Service).

suspend

Stop doing something for a while, such as not allowing a particular company's shares to be traded while a matter is investigated.

It can also refer to when a person is prevented from doing their job while a matter is investigated.

suspended beer

Term used in Customs notice 226 to mean **beer** subject to **suspended duty**.

suspended committal order

In relation to court proceedings to recover a debt, "an order for the debtor's committal to prison. However, it will not take effect immediately. The order for the debtor's committal to prison is suspended, that is will not take place [sic], if the debtor attends a new date to be questioned, takes the oath and answers questions" (HM Courts & Tribunals Service notice EX 324).

suspended order

Order committing a debtor to prison for non-attendance at court, but which will not be enforced if debtor attends on a second request.

suspended sentence

Sentence that does not have to be served provided the person does not commit a second offence within a stated period.

suspense account

Account to which one side of a **double entry** is posted when the true account is not known, such as when a payment is received but its purpose is not obvious.

The suspense account allows the books to balance while the true account is identified. The appropriate adjustment is then made by a journal entry. The existence of a balance in the suspense account is a reminder that

the matter must be investigated.

suspension of penalties

Procedure introduced from 1 April 2010 in relation to tax penalties.

Suspension may only apply for penalties that would otherwise for carelessness. There is no suspension for penalties that arise from negligent or fraudulent conduct.

Suspension means that no penalty is imposed but, for the taxpayer must follow conditions imposed by HMRC to ensure that such carelessness does not arise again. The original penalty is suspended for two years. If no further penalty arises in this period, the original penalty is then cancelled.

suspension system

One of two methods by which Customs administers **inward processing** relief. The other is **drawback system**.

This applies when goods are imported for processing before being exported again. The re-exported goods are known as **compensating goods** or **equivalent goods**.

suspicion

Ground for believing something but which falls short of reliable evidence. For tax evasion, suspicion could be aroused by someone having a lifestyle in excess of what their stated income would support. Suspicion can also be aroused by secretive behaviour or body language. Suspicion can be useful in identifying who and what may need further investigation.

Suspicious Activity Report (SAR)

Report of activity that appears to indicate financial activities relating to proceeds of crime, money-laundering or terrorism. It can lead to confiscation of assets under Proceeds of Crime Act 2002.

sustainable drainage

Term defined in Flood and Water Management Act 2010 Sch 3 para 2. This Act also introduced Water Industry Act 1991 s106A.

sustainable growth

“Economic growth that can continue over the long-term without damage to the environment or the exhaustion of non-renewable resources” (HM Treasury glossary).

sustenance

Term sometimes used to mean those items of expenditure that sustain life, of which the commonest is food.

suum cuique

Latin: may all get their due. This is the motto of the Faculty of Advocates in Scotland and of other bodies.

SUV

Abbreviation: sports utility vehicle.

SV

Abbreviation used in Income Tax (Trading and Other Income) Act 2005 s166(3) in relation to waste disposal.

SVA

(1) Single vehicle approval.
(2) Shareholder value analysis.
(3) Strategic value analysis

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| SVC | ISO code for El Salvador colon. |
| SVD | Shares Valuation Division, of HMRC. |
| SVGA | Super video graphics array. |
| SVM | Prefix for HMRC shares and assets valuation manual. |
| SVO | Straight vegetable oil. |
| svp | S'il vous plait. French: if you please. |
| SVQ | Scottish Vocational Qualification. |
| SVR | Scottish Variable Rate of income tax. |
| SW | (1) South west. (2) Short wave radio (3) Prefix for HMRC shared workspace business manual. |
| SWA | South West Africa, ie Namibia. |
| swag | Booty obtained from burglary or other illegal activity. The term originally meant one's possession as put in a bag and carried on a stick. The term comes from the Norwegian word "svagga" which means to sway. |
| swagman | Australian term for itinerant labourer. |
| swag-shop | Shop used for fencing stolen property. |
| swamping | "Incidental finance income that arises from the working capital of a business will be exempt and a finance company partial exemption will be introduced. It will no longer be possible to shelter large amounts of finance income from a [controlled foreign company] charge by the trading activity carried on by the CFC, a practice known as "swamping" (HMRC consultation document on controlled foreign companies. June 2011). |
| Swan | Swanston's Chancery Reports, law reports for 1818 and 1819. |
| Swansea lagoon tidal system | Proposed scheme to generate electricity from tidal sources in Swansea. It was abandoned on 25 June 2018 as being poor value for money. |
| swap | Exchange of one thing for another. The term is particularly applied to a financial instrument that is exchange for another. |
| Swarowski | Austrian producer of fine cut lead glass used in jewellery and similar products. The company was founded in 1895 by Bohemian jeweller Daniel Swarowski (1862-1956). One of their crystals is embedded on the reverse of a five-crown |

Christmas coin issued by Tristan da Cunha in 2014.

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| SWAT | Special Weapons and Tactics. A highly trained and armed body of American police used against armed criminals. |
| swatch | Sample book of materials, such as for cloth or carpet. |
| Swaziland | African country. Its currency is the lilangeni (plural emalageni) of 100 cents. This is kept at par with the South African rand which is also used as currency. The UK has a double taxation agreement of 1968. |
| swear | "Includes affirm and declare" (Interpretation Act 1978 Sch 1). |
| sweating | Practice of removing small particles of precious metal from a coin so as to be unnoticeable. |
| sweatpants | These may be zero-rated if they qualify as children's clothing, as explained in VAT Notice 714. The issue was considered in the case <i>BG Supplies (Birmingham) Ltd</i> [1993] VTD 11663. |
| sweat shop | Place of work where a person is made to work very hard for minimal wages, often in poor conditions. |
| Sweden | European country that is a member of the European Union. Its currency is the Swedish krona of 100 ore. The UK has a double taxation convention of 1983. The UK also a double taxation convention signed in 2015 but not yet in force. |
| Swedish marshmallow | Sweet product similar to marshmallow. The VAT tribunal held that it was confectionery in <i>E Round & Son Ltd</i> , VTD 2069. |
| Sweeney | Rhyming slang (from Sweeney Todd) for flying squad, of police. |
| sweeper | Term sometimes used for what was Schedule D Case VI income. The term means a provision that sweeps up income not taxed under other schedules. This meaning is used in BIM14030. |
| sweepstake | Form of betting (particularly in racing) where each punter chooses an entrant and the winner takes all amounts staked, sometimes less a cut for the organiser. A sweepstake is generally exempt from betting duties. |
| sweet | The term is now generally used to mean an item of confectionery. Such items are subject to VAT and are outside the scope of zero-rating for food. The exact scope of what constitutes sweets is given in VAT notice 701/14. In old excise Acts, the term is used to mean a sweet wine. |
| sweeteners | For VAT, these are zero-rated as food. This covers both natural products such as honey and sugar, and artificial products such as saccharin, aspartame and sorbitol (VAT notice 701/14). |

- sweetheart deal** Arrangement where existing customers receive preferential terms.
The term has also been applied to tax arrangements allegedly negotiated between large companies and HMRC. Such deals were allegedly made for Vodafone and Goldman Sachs.
- sweets** *Confectionery*
Sweets are within the definition of **confectionary** under the provision of Value Added Tax 1994 Sch 8 Group 1 Note (5)
They have been defined as “sweetened prepared food which is normally eaten with the fingers” in the case *Unibev [2004] VTD 18437*.
Sweets are standard-rated as they are excluded from zero-rating for food. There have been many marginal cases on what comprises sweets rather than food.
- Wine*
In previous centuries, the word was sometimes used in excise Acts to mean sweet wine.
- sweet wort** In brewing, mixture formed by mixing the grist with hot water. The sweet wort has material added to remove unwanted solid material and provide the wort for brewing.
- SWF** (1) Abbreviation: single white female.
(2) **Shared wealth fund**
- SWG** Standard wire gauge.
- swidden** Area of land made cultivatable by burning the plant cover.
- SWIFT Bank Identifier Code (BIC)**
For international banking, the equivalent to the **sort code**.
For HMRC bank accounts, the BIC is CITIGB2L.
- swimming pool** 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.
- swindle** Cheat by means of trickery.
- Swindon Urban Regeneration Company Ltd**
Body designated as an urban regeneration company under Income and Corporation Taxes Act 1988 s79B (Urban Regeneration Companies (Tax) (Designation) Order SI 2004 No 439 para 2).
- swinge** Old word meaning to beat or chastise. The word has become a fossil used in the expression “swingeing cuts” (or similar) to mean heavy cuts.

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| Swing Riots | Riots of agricultural labourers in English southern counties between 1830 and 1833 in protest at their working conditions and the introduction of threshing machines. |
| swipe card | Plastic card that gives access to premises or stores money. VAT notice 701/5 gives advice on when such cards are used for bar purchases in a club. |
| Swiss bank | Bank in Switzerland, which is renowned for protecting customer privacy. As a result, it is known that such accounts are widely used for improper purposes including tax evasion. Under an agreement reached between the UK and Swiss authorities in 2011, Swiss banks will from 2013 deduct a withholding tax of 48% on interest income, 40% on other income and 27% on capital gains incurred by British taxpayers. Alternatively the taxpayers may authorise the banks to disclose details to HMRC. |
| Swiss Bank Settlement | Arrangement whereby Swiss banks made payment to people used as slaves or forced labourers in the second world war. On 16 December 2015, it was announced that payments under this scheme are exempt from inheritance tax. |
| Swiss franc | Currency of Switzerland. |
| switching | In investment, practice of moving an investment (or part of it) from one fund to another. There is usually a cost of doing so in the form of either (or both of) a management charge from the fund provider, or a spread in that the old investment is sold at a lower rate than the new one is bought. |
| Switzerland | European country that is not a member of the European Union. The currency is the Swiss franc of 100 rappen or centimes. The UK has a double tax protocol of 2009 and an exchange of letters in 2012. A UK/Swiss international tax treaty was agreed with effect from 1 January 2013 for untaxed income deposited in Swiss banks. The treaty gives such taxpayers the choice of declaring their income to UK tax authorities or (from 31 May 2013) having a withholding tax deducted by the Swiss authorities. |
| SWL | Safe working load, for a vehicle. |
| SWM | Abbreviation: single white male. |
| sword dollar | Scottish silver coin in the reign of James VI of Scotland. It was worth 2s 6d (12½p) in English money, and 30 shillings in Scottish money. The name comes from the sword design on the reverse. |

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| SWOT | Strengths, weaknesses, opportunities and threats. The term is used in management review, such as in marketing a new product. |
| SWP | (1) Skill with prizes , type of amusement machine that is not regarded as an amusement machine for VAT purposes. (2) Socialist Workers Party. |
| SWR | Scotch Whisky Regulations 2009. |
| SYHA | Scottish Youth Hostels Association. |
| syllogism | In logic, a proposition from which a proof may be inferred. The simplest example is if $A = B$ and $B = C$, then we may infer that $A = C$. Tax cases are full of syllogisms. |
| symbiosis | In biology, a mutually beneficial arrangement between two organisms. By extension, the term can mean a beneficial arrangement between two bodies. |
| symmetallism | Monetary system where two metals are mixed in a fixed proportion and used as the basis for currency. |
| synarchy | Joint rule. |
| syndic | Person chosen to transact business for others, such as a legal representative of a corporation. |
| syndicate | Group of people who are so organised for a common purpose, particularly in providing insurance at Lloyd's. |
| synergy | In business, the greater output that may be achieved by two people working together rather than separately. |
| syngas (SNG) | Synthetic gas which basically comprises carbon monoxide and hydrogen and is made by a process such as steam reforming of natural gas. The gas may either be used for heating and power, or is sometimes used for producing other products. |
| synod | Ecclesiastical council where matters of church are debated, and where rules are developed. |
| synthesis | Form of logic developed by Aristotle, which advances a thesis, advance the opposite known as the antithesis, and then reconciles them to a synthesis. |
| synthetic turf | This was held to be plant when rolled out like a carpet for indoor football in <i>Anchor International v Inland Revenue [2004]</i> . |
| SYP | ISO code for Syrian pound. |

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|----------------------------|---|
| Syria | Arab country. Its currency is the Syrian pound of 100 piastres. The UK has no double taxation treaty. |
| Syrian pound | Currency of Syria. |
| syrup | Syrups used to make drinks are standard-rated for VAT. They are specifically excepted from the scope of zero-rating for food by Value Added Tax 1994 Sch 8 Group 1 Note 4. |
| SYSC | Part of the Financial Services Authority Handbook that deals with senior management arrangements, systems and controls. |
| system requirements | <p>In computing, the hardware and software which a person must have for a new piece of software to work.</p> <p>The requirements are usually expressed in terms of:</p> <ul style="list-style-type: none">• how much hard disk is required;• the minimum size of RAM need;• what operating system must be installed;• what hardware equipment must be present (eg CD drive, scanner, DVD drive etc); and• any other programs which must be already installed. |
| systems analyst | Person who analyses a procedure to determine how a computer program may be written to perform the task. |
| SZL | ISO code for Swaziland lilangeni. |