

Introduction to the fifth edition

The *International Tax Glossary* has traditionally been regarded as an authoritative resource for defining tax and tax-related terms by its many users from all over the world, including tax professionals, academics, students, courts, and tax administrations. Globalization - also in the tax world itself - means the need for such a resource is continually increasing. The key role it now plays in meeting this need may be seen from the 700+ "hits" recovered from a casual internet search for the *International Tax Glossary*.

Since the major rewrite of the *Glossary* four years ago it might have been expected that the next edition could have waited a few more years. However, the flow of new terms or changed meanings has continued unabated in the last four years and a new edition has become more a necessity than a luxury.

In some respects the *Glossary* may be considered the tax equivalent of the Fourth bridge: no sooner has Z been reached and maintenance is needed on A. However, happily, since the process of revising the *Glossary* is not carried out in strict alphabetical order the user will find equally up to date entries at the beginning of the book as at the end. In revising the previous edition, attention been paid not just to new developments but also to expanding or refining existing entries. This process has led to no less than 400 new terms as well as some 300 new or substantially revised descriptions.

Certain areas have been given particular attention in the new edition, notably customs, VAT, capital taxes, transfer pricing and EU tax law terminology.

As in the previous edition the current edition contains a number of features designed to make the *Glossary* of more practical value to users, including, in particular, cross-references to key bibliographical sources for further research, as well as specific country references to indicate where a term or concept has a particular affinity to one or more countries. The existing list of international organizations, treaties and tax-related bodies (Appendix I) has also been extensively revised and where possible internet addresses have been added so as to aid further research. The presentation of business entities has also been improved by listing these in one place (see Appendix II) and the coverage has now been extended to some 40 countries, in particular OECD member states. The list of non-English language terms has also been expanded from four languages to now include Dutch equivalents.

The immediate aim of the new edition is to provide a comprehensive and up-to-date list of terms and expressions together with accurate and concise explanations. In providing explanations a difficult line has been drawn between an explanation of what terms mean or how they are used, and writing a mini-treatise on a particular legal rule. Details of specific tax rules are, therefore, generally given if they help illustrate a particular meaning. The end result is

intended to provide practitioners with a practical guide to understanding complex or unusual terms and concepts, while still giving students and researchers more detailed guidance on the principles and theoretical aspects involved. The *Glossary* should, however, be of great value to those not involved in taxation on a day to day basis, but who need a key to understanding a difficult subject matter.

Considerable amounts of material and differing points of view are represented in the *Glossary*. Inevitably the result is to some extent a compromise. An attempt has, however, been made to provide a balanced view without sacrificing an unacceptable level of detail. It should be noted that a degree of imbalance is inevitable given the predominance of the English language and of the OECD in the development of international tax. The large number of UK and US related terms is a function of this heritage. Having opted for an English language approach the intention is still to provide an “international” glossary and not one just limited to the English-speaking countries. Therefore, in defining a term, account has been taken where possible, of similar concepts used in non-English-speaking countries. This is also to a limited extent reflected in the country usage references as well as in the multilingual list of terms. A choice has also had to be made between English and American spelling. For practical reasons, the English language has been taken as the starting point with deviations only where really necessary. Finally, while international tax is a dynamic area, this does not mean that the past is no longer relevant. In fact, an understanding of how terms were used in the past can be of crucial relevance to both practitioners and researchers. Accordingly, historical terms have been retained with a view to expanding these in the future.

As in any work of this nature thanks are due, not least to all those who have worked on previous editions and laid such a solid foundation on which to develop the current edition. A grateful word of thanks is also extended to the help provided with the current edition by research and production staff at the IBFD.

Using the *International Tax Glossary*

Cross-references

Cross-references are used in the following ways:

- See also: indicates other terms which are related to the term in question (or which superficially appear related but are in fact unrelated);
- See: indicates that the term is dealt with under another entry or that it is a synonym for (or at least broadly similar to) another entry; and
- Compare: indicates a term which is conceptually the opposite or (more commonly) to be distinguished in some way from the current term.

Country usage

In most cases the reference indicates a country or countries in which the *term* is used. The *concept* itself will often be found in more countries. As a result, most references are to English-speaking countries. Terms noted as used in the United Kingdom may often also be found in other countries whose legal system is based on English common law. Where a non-English-speaking country is referred to, this generally indicates that the term is used either in its English form or, more commonly, in its direct translation equivalent. The countries mentioned are generally illustrative only. For terms in general use, no countries have been indicated (although it should not be assumed in every case where no country is indicated that the term is in general use).

Synonyms

It is common to find that the same concept is defined using different terminology from country to country. In practice, while the underlying concept may be similar, it is rare that it is identical (certainly not when it comes down to detailed rules and their application). For the sake of practicality, however, where terms are sufficiently close this has been indicated by way of a cross-reference as described above as well as, after the “main” entry, placing synonyms in square brackets.

Appendices

In addition to the terms included in the main body of the Glossary, this edition now contains the following three appendices:

Appendix I: International organizations, treaties and tax-related bodies

Appendix II: Business entities

Appendix III: Non-English language terms

International organizations, treaties and tax-related bodies

A list of international organizations, treaties and similar phenomena which directly or indirectly relate to international taxation is provided in the first Appendix.

Business entities

A new feature of the current edition - the second appendix - is a separate listing of business forms in some 40 countries, including OECD member states. Commonly encountered abbreviations and acronyms for these forms are also provided.

Non-English-language terms

As already indicated, the *Glossary* primarily makes use of English language terms. However, the terms themselves often relate to concepts encountered in non-English-speaking countries. To assist the user in identifying an equivalent non-English term a list of certain key terms is included as a third Appendix at the end of the Glossary. This covers the following languages: Dutch, French, German, and Spanish as well as their English counterparts.

Copyright
© 2005 IBFD Publications BV

All Rights Reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the written prior permission of the publisher.