

GLOSSARY

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| ACT | Advance corporation tax — in Ireland and the UK, a tax on company dividends which is creditable against future company tax. |
| Avoir Fiscal | Imputation credits in France |
| CFC | Controlled foreign companies — CFC measures are used by a number of countries to tax the income of foreign affiliated entities of resident taxpayers on an accruals basis. |
| CGT | Capital gains tax |
| CIT | Company income tax |
| DRD | Dividends received deduction — imputation system in Belgium |
| DTA | Double tax agreement |
| DWT | Dividend withholding tax |
| Exempt | Income not subject to tax. |
| FCT | First Category Tax — Chilean tax on company undistributed profits |
| FTCS | Foreign tax credits system |
| FIFO | First in first out — method of valuation of inventory |
| Franked dividend | A dividend which entitles the shareholder to a tax rebate based on the amount of tax already paid at the company level. |
| GAAP | Generally accepted accounting principles |
| GDP | Gross domestic product |
| Imputation | System involving crediting to shareholders the underlying company tax paid on distributed income as dividends. |
| Integration | Reference to the relationship of two or more parts of the taxation system; in particular, whether systems are completely or partly combined so that franking credits provided for tax paid at other levels, for example, the integration of the company and individual taxation systems. |
| LIFO | Last in first out — method of valuation of inventory |
| NIT | Normal income tax |
| OECD | Organisation for Economic Co-operation and Development |