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## Interpreting Taxing Statutes # 69 - Impact of definition

**In the case of a statutory definition the defined term may itself colour the meaning of the definition.<sup>^1</sup>**

**Where an Act defines a term, other forms of the same word and related expressions will be read in light of the definition.<sup>^2</sup>**

### SYNOPSIS

Defined term may itself colour the meaning of definition

- Unexpected meaning

Variation of defined term and effect on related word

- Other forms

### **Defined term may itself colour the meaning of definition**

Whatever definition is given to a term, the natural meaning of the term is likely to exert some influence over the way that definition is understood and applied by the court. It is impossible to cancel the ingrained emotion of a word merely by an announcement. This is sometime called ‘**the potency of the term defined**’. Said as follows:

‘... a definition may give the words a meaning different from their ordinary meaning. But that does not mean that the choice of words adopted by Parliament must be wholly ignored. If the terms of the definition are ambiguous, the choice of the term to be defined may throw some light on what they mean.’<sup>^3</sup>

Similarly,

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<sup>1</sup> Bennion 2020 s 18.6

<sup>2</sup> Bennion 2020 s 18.7

<sup>3</sup> MacDonald (Inspector of Tax) v Dextra Accessories Ltd (2005) UKHL 47 cited in Bennion 2020 p 581

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'Although successor is a defined expression, the ordinary meaning of the word is part of the material which can be used to construe the definition'.⁴

Unexpected meaning: Despite what is said above, the fact that a definition produces a result that is surprising, having regard to the natural meaning of the term that is defined, does not of itself mean that the clear meaning should be rejected. It does, however, invite caution.⁵

Variation of defined term and effect on related word

It is sometime suggested that wherever a defined term appears in an Act, the definition must be read into the text in its place. While this may be a useful way to think about the effect of a definition it ought not to be taken too literally. It is often impossible to slot the definition neatly into the text but that does not prevent the definition from applying or make it less effective.⁶

Moreover, while a definition may affect the meaning of a term, the actual text in which the term is used remains unchanged for grammatical purposes.⁷

Other forms: Where an Act contains a defined term the starting point is to assume that different forms of the same term need to be read in light of that definition. A statutory definition of a word in the singular will clearly apply to the use of that word in the plural. Similarly, if the present tense of a verb is defined, the statutory definition will apply equally to use of the past tense of that verb. Perhaps more difficult is the question of whether, for

⁴ Birmingham City Council v Walker (2007) UKHL 22 cited in Bennion 2020 p 581

⁵ Bennion 2020 p 582

⁶ Bennion 2020 p 583

⁷ Bennion 2020 p 583

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example, ‘vote’ used as a noun must be construed in light of a definition of ‘vote’ used as a verb. The need to read the words in context and to adopt a consistent approach to the construction of the enactment, as well as plain common sense, would normally lead to the conclusion that it must. These sorts of questions are sometimes dealt with expressly by an Act containing separate definitions for different forms or by including words to the effect that ‘**related expressions are to be read accordingly**’.<sup>8</sup>

For example, in construing a reference to the grant of a lease in light of a definition which provided for ‘lease’ to include an agreement for a lease, references to granting a lease were to be read as references to the making of an agreement for a lease.<sup>9</sup>

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<sup>8</sup> Bennion 2020 p 583-584

<sup>9</sup> Brikom Investment Ltd v Seaford [(1981) 1 WLR 863 cited in Bennion 2020 p 584