

Glossary

Accession	In the context of the European Union or other international organisations, accession is the process by which a state becomes a member of that body.
Continuing state or continuator	A state regarded as having the same international legal personality as the predecessor state despite a change in circumstances, such as a loss of territory or population.
Currency options	Formal currency union: where two or more independent states formally agree to share a single currency and common monetary institutions and policy settings (for example the euro area).
	Pegged currency: where an independent state manages the exchange rate of its currency against that of another, typically larger, state (most commonly sterling, the euro or the US dollar). Monetary authorities intervene to ensure that the exchange rate remains constant (or varies within a specified band) against the chosen currency (for example, Denmark fixes the value of the Danish krone against the euro within a narrow target band).
	Floating currency: where the value of an independent state's currency and its exchange rate with other currencies are driven by market demand for the currency (for example sterling, euro or dollar).
	Unilateral use of a foreign currency – commonly referred to as 'dollarisation' or, in the context of an independent Scottish state potentially adopting sterling, 'sterlingisation'. This is where a state unilaterally adopts the currency of another state without agreeing a formal union and without gaining a formal role in the institutions and policies that operate monetary policy (for example, Panama uses the US dollar unilaterally, outside of the formal area of responsibility of the Federal Reserve).
Dissolution	Where a state ceases to exist and divides into two or more new states, none of which is the continuing state.

International organisations	Organisations established under international law and possessing their own international legal personality (such as the United Nations, European Union and the North Atlantic Treaty Organization).
Jurisdiction	The area of control of a particular government or legal system.
Predecessor state	Where a state has been dissolved or where part of it has separated to become a new state (succession), the predecessor state is the state which existed prior to dissolution or succession.
Reversion	Where a state that has been suppressed or extinguished for a period is re-established on the same or similar territory as the former state and is regarded as the same legal entity.
Secession	The creation of a new state without the consent of the former sovereign state.
Sovereignty	The jurisdiction or legislative competence of a government over its territory and the permanent population living there.
State	A legal entity which comprises a people settled in a territory under its own sovereign government and which possesses legal personality under international law.
Succession/ successor state	The replacement of one state by another in the responsibility for the international relations of a territory previously belonging to the former state (for example, South Sudan was the successor state following its independence from Sudan).
Treaty	An international agreement concluded between states in written form and governed by international law.

Precise, agreed definitions do not exist for many legal and constitutional terms, and some may have multiple meanings depending on the context in which they are used (for example, whether they relate to international or domestic law). The explanations above are intended to be a guide for non-expert readers rather than a definitive statement of the UK Government's interpretation of these terms.