

REVENUE LAW IN SINGAPORE AND MALAYSIA By LEO D. POINTON.  
[Singapore: Butterworths. 1986. xxvii + 281 pp. Softcover: S\$75.00]

THE book under review is remarkably slim for a case book. There are altogether 11 chapters. Chapter 1 deals with reception of English law in Singapore. Chapter 2 deals with the interpretation of statutes and cases, with an emphasis on tax statutes. Chapter 3 deals with the administrative aspects of taxation for example, assessment and collection of taxes and tax appeals. Chapter 4 covers the various categories of gains which are subject to tax i.e., trade and business income, employment income, dividends, interests and income from property. Chapter 5 deals with income which is exempt from tax. Chapter 6 covers the topic of tax deductions, Chapter 7 covers capital allowances and chapter 8 covers personal reliefs. Chapter 9 deals with the taxation of partnership and chapter 10 deals with an aspect of the taxation of companies — the requirement imposed by s. 44 of the Income Tax Act<sup>1</sup> (“the Act”) that tax be deducted from dividends and the mechanism involved. Finally, chapter 11 deals with estate duties.

The author should be commended on his efforts in stating and discussing the legal basis of the rules and principles involved in income taxation. As he himself noted the local textbooks on the subject tend to concentrate on the more mechanical aspects of tax law, and often there is no analysis of the cases or statutes. This book is a welcome change, as the author has adopted a more analytical approach to the subject.

<sup>2</sup> [1980] 1 M.L.J. 45 (The case is reproduced at p. 1104 of this edition).

<sup>3</sup> [1980] 1 M.L.J. 115.

<sup>1</sup> Cap. 134, Statutes of The Republic of Singapore, 1985 (Rev. Ed).

The cases are well edited and the author provides useful background information on a topic before setting out extracts of the cases. This helps to put the cases in proper perspective. There could perhaps have been more comment on the cases set out, for example, whether a decision is a good one, what are the consequences that may follow from a case or how the position in Singapore differs from that in Malaysia or the United Kingdom. In the discussion on taxation of trade and business income for example, (pages 87 — 101) the author notes that unlike the Malaysian and the United Kingdom Acts, there is no definition of either “trade” or “business” in the Singapore Act. But there is no comment on the significance of this difference.

Another merit of this book is that it includes materials which are otherwise not readily available, for example decisions of the Board of Review, statements issued by the Inland Revenue Department and the Society of Accountants and even correspondence in *The Straits Times*. It also contains extracts from the recent report of the Economic Committee which should prove useful as an indication of the tax changes to come.

The manageable size of the book is due in part to the author’s succinct style and skill in editing the cases and materials. However, it is achieved at a cost—the book does not comprehensively cover the law of income taxation, which may be a serious shortcoming if it aims to be “a convenient work of reference”. There is for example little discussion of tax jurisdiction i.e., when income is liable to tax in Singapore or Malaysia. There is no explanation of the concept of “source” (except in relation to the deemed source of interest under s. 12(6) of “the Act”) nor the “remittance” basis of taxation. This topic is in the reviewer’s opinion one of utmost importance because it determines whether income is liable to tax in the first place, and often would be the first question that a taxpayer is interested in.

In addition to this, the exclusion of some topics does not help in achieving coherence and connectedness of treatment. For example, there is a chapter on taxation of partnership but there is no discussion of the taxation of other entities for example, companies (save in relation to the s. 44 problem); nor is there any discussion of the taxation of trusts, both of which, (especially the former) are arguably more important and present more problems than the taxation of partnership.

Further, some of the topics covered in the book are rather inadequately discussed. For example, the discussion on “Losses” is rather brief, and there is no mention of s. 37A of “the Act” which imposes restrictions on the deduction of losses from dividends. The discussion on “Capital Allowances” is also rather brief.

In this regard, the inclusion of a chapter on “Estate Duty” is rather puzzling. Estate duties unlike, for example, capital gains tax have no relation whatsoever to income taxation, it is a totally independent subject. Furthermore the chapter only provides an overview of the subject; in view of this would it not be better to concentrate solely on income taxation and deal with it more comprehensively and in-depth rather than to have a less than comprehensive coverage of income taxation and a very brief coverage of the law of estate duty?

In summary, this book is an useful addition to the literature on the law of taxation but it will have to be used in conjunction with other books and materials if it is to be really effective.

SOON CHOO HOCK