

DEVELOPING SINGAPORE – TAX INCENTIVES FOR INVESTMENT AND EXPANSION UNDER THE ECONOMIC EXPANSION INCENTIVES (RELIEF FROM INCOME TAX) ACT. By MARGARET FORDHAM. [Singapore: Longman. 1988. xxii + 459 pp. Hardcover: S\$75.00]

THE author explains the nature of her book in the preface: “This book does not ... aim or purport to contain a detailed academic evaluation of the EEIA. It is designed as a practical introduction to the contents of the Act rather than a critique of its terms...” Thus the book has to be read in the light of that aim and evaluated as such.

This book would certainly assist lawyers and laymen alike if these aims are achieved. There is certainly a need for literature that set out comprehensively the provisions of the EEIA and explain the practical workings of the provisions therein.

The first chapter covers the economic development of Singapore since 1959. The chapter basically deals with the history of economic development since 1959 and the challenges faced by the Singapore economy. It lays out in a comprehensive manner the evolution of the economy and the problems arising therefrom.

The second chapter lays down the evolution of the economic expansion legislation of Singapore and the historical background of the amendments and changes thereto. It provides an insight into the reasons for the legislative changes in this area and also the legislative intention of such amendments. The author does so by incorporating extracts of the parliamentary proceedings which allows the reader to understand the concerns and aims of parliament when making such amendments.

These two chapters provide an interesting insight into the economic reasons for such enactments and amendments thereto. They also provide an insight into the policy reasons why these enactments and amendments were made. In that sense, these chapters are to be welcomed as they provide the background in which the economic expansion legislation of Singapore operates. This greatly enhances the value of the book as a guide to the EEIA as the reader, when reading the following chapters on the specific provisions, can better understand the ambit of the operation of the legislation in the light of such insights into the EEIA.

The next chapter of the book consists of the main body of the book. Here the author deals with the provisions of the EEIA. She seems to have taken a two-tiered approach to the subject. She first lays out the common features of the provisions in the first sub-chapter before going on to deal with the individual types of tax relief. The problem with this approach is that in describing each type of relief the author repeats herself with respect to the features common to a few of these reliefs.

However, it is felt that this is acceptable if seen in its context and considering the alternative. The alternative would have been to have cross-references all over the book. This may not be such a wise idea since it makes for less convenient reading and may ultimately confuse the reader. Since this book is meant really as a guide to the provisions of the EEIA, the main emphasis would be on easy

reference and a premium would necessarily be placed on the comprehensiveness of the book in its treatment of the various reliefs available. Moreover, it has to be said in the defence of the book that the first sub-chapter deals with the common features in much greater detail than when it is dealt with again in the description of the individual reliefs. This way the author hedges in that she gets to deal with the common features in adequate detail and, at the same time, her treatment of the individual reliefs is complete.

A possible criticism of the treatment of the provisions of the legislation is that she fails to deal with the case-law relating to the operation of the Act and its administration. However, it has to be said that this is defensible in the light of the aims of the book which is to serve purely as a practical guide to the Act.

The penultimate chapter deals with the residual provisions relating to economic expansion incentives contained in the Income Tax Act.

The concluding chapter deals with the non-fiscal incentives offered by the various departments of Singapore, such as the Economic Development Board of Singapore. It may seem odd that this chapter appears in a book that is supposed to be dealing exclusively with tax incentives; however, it does add to the completeness of the book, as a whole, in dealing with incentives for investment and economic expansion.

Around half the book is devoted to the appendices which lay out the text of the main statutes relating to this area, including extracts from the Income Tax Act. The interesting feature is that it also contains a table, spread out over a few pages, which provides an overview of the benefits available under the EEIA. Another interesting feature is the inclusion of a summary of the tax incentives available elsewhere in the region.

The author must be commended on the comprehensiveness of the index to the book. Indexes are particularly important in works of this nature as the reader must be able to have easy access and reference to the information he may require without having to painfully plough through the whole book. The index in the book ensures that the reader will be able to find the information he requires easily and thus allows him to have the information he needs at his fingertips.

It is said that one must not judge a book by its cover, and how that is true in this case, albeit in a different sense. At first glance, the book seemed to lack any real legal analysis and, as such, of no real value to a lawyer. However, read in the light of its aims of providing a practical guide to tax incentives relating to economic expansion, rather than purporting to be an academic evaluation of the legislation involved, the book is well written and is organised to provide, not just a guide to the tax incentives, but also a valuable insight into the aims and background of the EEIA.

As such, the book is recommended to anyone, lawyers and laymen alike, who is interested in this area of tax law.