

TAX PLANNING WITH PRECEDENTS, 4th Ed. By D. C. Potter, H. H. Monroe and Stewart Bates. [London: Sweet & Maxwell. 1963. xxxv + 491 + 11 (index) pp. £3. 12s. 6d.]

With the high incidence of taxation nowadays tax planning is becoming a subject of growing importance to the taxpaying community and their legal advisers. In their Preface to the first edition of this book, the authors indicated that by "tax planning" they meant nothing more sinister than that a man should make an intelligent appreciation of the incidence of tax and should take it into account as a relevant factor in planning what dispositions he will make of his property as between himself and the members of his family.

The first edition of this book was a pioneering effort in elucidating the principles of tax planning and in providing the taxpayer and his legal adviser with practical precedents which may be used as a basis for reducing or avoiding his tax liability. It immediately became a notable success. Now in its fourth edition the book has become firmly established as an indispensable tool for anyone concerned with tax planning in U.K.

The present edition consists of ten chapters, a new chapter on insurance policies having been added. As in the previous editions each chapter contains a comprehensive and lucid analysis of the law on the subject it deals with and to this is appended a selection of suitable precedents. As the authors pointed out in their Preface to the present edition these precedents do not of course constitute "a collection of ready-made schemes to be picked off the peg and used in any circumstances." To copy a precedent slavishly without giving detailed consideration to the particular circumstances of the problem would complicate rather than solve the situation.

The tax saving schemes discussed in this book deal with the avoidance of income tax as well as death duties. There are also comments on the stamp duty aspects of the problem. The Singapore and Malaysian Lawyer will find the discussion and precedents concerning the avoidance of income tax of very limited value because of the vast differences between the English and the local income tax legislation. It is the discussion in the text on certain important aspects of estate duty law together with the precedents on estate duty saving that the local practitioner will find most useful as the Singapore and Malaysian estate duty legislation are based on the English Finance Act, 1894. Even here, however, there have been a number of recent amendments in U.K. which have not been adopted in Singapore or Malaysia. The five-year period in respect of gifts *inter vivos* has not been modified; immoveable property overseas are still not subject to duty; and no statutory restrictions have yet been imposed on gifts made in consideration of marriage to counter the decision in *Rennell v. I.R.C.* [1963] 2 W.L.R. 745, where the House of Lords held that a gift could be made in consideration of marriage even if it benefited persons other than those within the marriage consideration. The *Rennell* decision has been modified by the U.K. Parliament but it is still good law in Singapore and Malaysia. It is true to say that the local estate planner has at the moment less hazards to face than his English counterpart.

Though previously designed as a practitioner's hand-book this work should have a much wider appeal. Academic lawyers and students who are interested in estate duty law will find much stimulating discussion in the text which can be read without any hindrance from the precedents.

KOH ENG TIAN.