

REVENUE LAW. 8th Edition. By BARRY PINSON, Q.C., LL.B. Including a section on VALUE ADDED TAX by JOHN GARDINER, M.A., LL.B. [London: Sweet & Maxwell. 1974. 1xv + 668 pp. inc. Index. Paperback S\$46.80. Hardback S\$70.00]

This ambitious volume seeks to encompass within its pages the United Kingdom law on income tax, capital gains tax, corporation tax, estate duty, stamp duties and value added tax — all save the last being direct taxes. In view of the vastness and complex nature of existing legislation on this highly technical branch of the law, the sheer magni-

tude of the task would have sufficed to daunt the most fearless spirit. For example, the main Acts dealing with income tax and corporation tax alone run into hundreds of sections, laboriously worded more often than not in the most tortuous and abstruse language — the Income and Corporation Taxes Act 1970 contains 540 sections and 16 Schedules, the Taxes Management Act 1970 120 sections and 4 Schedules, the Capital Allowances Act 1968 100 sections and 12 Schedules. In addition, Revenue law has become one of the fastest areas of legislative change, requiring constant attention if one's knowledge is not to be outdated. Thus, Pinson's *Revenue Law* first appeared in 1962, with new editions every two or three years thereafter until the fourth edition in 1970 (the date of the latest consolidation of the Tax Acts), after which the pace of change became so rapid that the author was obliged to bring out a new edition each year. These changes reflect the varying policies and philosophies of successive crisis-ridden Governments feverishly attempting to implement them in a difficult socio-economic climate, unassisted by the teething problems posed by the U.K. entry into the E.E.C. and the need for the harmonisation of laws in certain areas (whence the introduction of value added tax by the 1972 Finance Act and a new capital duty by the 1973 Finance Act).

The author states in the Preface that his book is not intended to be exhaustive, but serves simply as an introduction to the study of Revenue law for one already possessed with some knowledge of basic legal principles. As an introductory book, it fulfils its function admirably, giving intelligible order to a mass of legislation not easily comprehensible otherwise. The arrangement of the subject-matter in a coherent framework permits the reader to get a grasp of the essential principles of U.K. tax law, and is ideally suited to students preparing for the undergraduate or professional legal examinations in this field. The case law interpreting the various statutes is duly noted, but detailed analysis is admittedly unfeasible within the limits of the work. Indeed, expounding the positive law in clear, readable language is already such a demanding feat that it is scarcely possible in the space available to discuss it critically at any great length. Nevertheless, one cannot but feel a twinge of disappointment that the description at para. 10-30 of the operation of s. 451 of the Income and Corporation Taxes Act 1970, while concluding that the section is "highly penal", does not elaborate on the grounds for this assessment, nor is attention drawn to the castigating comments on this point made by the House of Lords in the leading case on the section, *Bates v. I.R.C.* [1968] A.C. 483. Again, although one may appreciate that the author's problem really lies in deciding what material to omit rather than in finding material for inclusion, I think that, in relation to the treatment of capital gains tax, para. 16-36 (General rules for assets held on April 6, 1965) should have been expanded to make the rules clearer on quoted securities (no mention is made of an election and the "pooling" rule in the computation of gains or losses under this category) in contrast to unquoted securities and other assets (incidentally, should not the reference be to 1965 rather than 1967 in this paragraph — an error first committed in the seventh edition and further perpetrated in the present one?), since the situation in which assets, acquired prior to the date of introduction of the tax, are disposed of after that date is likely to give rise to frequent problems of identification and valuation, which the student should be able to recognise and, at least, attempt to solve. In this connection, one would also have welcomed a separate paragraph dealing with part-disposals.

The paperback version of the present edition is deceptively larger than that of previous editions: the pages are longer and wider, and the book as a whole is one-third thicker than the seventh edition. A closer examination, however, reveals that much of the increase in size is attributable to a change in the quality of paper to a dull, heavy, absorbent, (in brief) inferior type — a symptom of the rising costs of publication and printing. Nevertheless, the contents incorporate the differences effected in the law by the Finance Act 1974: from simple changes, such as the raising of the basic rate of income tax from 30% to 33% and the general doubling of *ad valorem* stamp duties on conveyances and transfers of property with increased relief for small conveyances, to more substantial changes, such as the introduction of a new tax on development gains and first lettings of “chargeable buildings” (retrospective to 18th December, 1973) as part of the existing capital gains tax, and the important modifications of the remittance basis of taxation in respect of certain foreign income. More far-reaching and radical changes have now been made by the current 1975 Finance Act — a capital transfer tax replaces and enlarges the scope of the former estate duty (again with retrospective effect) — so that we may expect yet another edition of *Revenue Law* later this year.

As useful as this work may be to a law student desirous of acquainting himself with the fundamentals of U.K. tax law, it is of limited value to one seeking to study the tax law of Singapore. Although in mercantile matters Singapore law continues to follow the lead of English law (Civil Law Act, Cap. 30, Singapore Statutes, Rev. Ed. 1970, s. 5), in fiscal matters she jealously asserts her independence. Thus, to mention a few substantial differences between the two income tax systems, the connecting jurisdictional factor in the U.K. is the taxpayer's residence, while that in Singapore is the place of accrual, derivation or receipt of income; annuities and annual payments are taxed at source in the U.K., but in Singapore they are taxed in the hands of the payee; and the code of deductibility under each system varies significantly. Moreover, corporation tax as such and capital gains tax do not exist in Singapore. On the other hand, there are some areas of general importance where the discussion will be equally relevant here, e.g. the distinction between capital and income, the jurisdiction of the court to reverse the decision of the fact-finding tribunal, case law on the badges of trade, and the meaning of income from employments. It is in the areas of estate duty and stamp duties that *Revenue Law* may be found more helpful in assisting the Singapore lawyer to grasp the essential principles of the local Estate Duty Act (Cap. 137, Singapore Statutes, Rev. Ed. 1970) and the Stamp Act (Cap. 147, Singapore Statutes, Rev. Ed. 1970). Thus, to cite a cardinal principle in both jurisdictions, estate duty is levied on the principal value of all property passing on death, and stamp duty is charged on instruments, not transactions.

In the final analysis, due credit must be given to the author for his courage in attempting to cover such a wide and difficult field (it is the only work to deal with all the important U.K. taxes in a single volume), for his skill in arranging his choice of material in a logical, readable manner, and for his energy in keeping pace with the latest developments in this rapidly changing branch of the law.