

**INCOME TAX ACT
(CHAPTER 35)
INCOME TAX (FORMS) RULES**

**G.N. S 4/51
R.E.S.L. 1956, page 221**

REVISED EDITION 2003

(1st December 2003)

SUBSIDIARY LEGISLATION
INCOME TAX (FORMS) RULES
ARRANGEMENT OF RULES

Rule

1. Citation.
2. Forms to be used.

SCHEDULE — FORMS

SUBSIDIARY LEGISLATION

Rule under section 5(1)

INCOME TAX (FORMS) RULES

Commencement: 1st March 1951

Citation.

- 1. These Rules may be cited as the Income Tax (Forms) Rules.

Forms to be used.

- 2. The forms set out in the Schedule are prescribed for use under the Income Tax Act.

SCHEDULE

FORMS

(I.T. 1)

File Number

.....
Please quote this number in
all communications relating
to this return.

INCOME TAX ACT
(Chapter 35)

To
.....
.....

INCOME TAX, 20

By virtue of the provisions of the Income Tax Act (Chapter 35) (Part X) you
are hereby required to make a return of the whole income of
.....

SCHEDULE — (continued)

accrued in, derived from or received in Brunei Darussalam the year ended 31st December 20, according to the headings on page 2 of this form.

The explanatory notes accompanying this return should be read carefully before the form is completed.

This form duly completed and with the declaration below duly signed must be returned to me WITHIN ONE MONTH FROM THIS DATE together with a certified copy of the BALANCE SHEET AND TRADING AND PROFIT AND LOSS ACCOUNT.

This return or any correspondence relating thereto may be sent post free to the Collector in an envelope marked "Income Tax".

..... 20

The Treasury
Brunei Darussalam

Collector of Income Tax.

DECLARATION

I, (full name)
hereby declare that this return contains a full and true account of the whole of the income of
..... for the year ended 20

..... Signature.
(To be signed by Manager or principal officer).

..... Designation

..... Address.

Date 20

SCHEDULE — (continued)

STATEMENT OF INCOME FOR THE YEAR ENDED

..... 20

NAME OF COMPANY		NATURE OF BUSINESS	
ADDRESS OF HEAD OFFICE		ADDRESS OF BRANCHES IN THE STATE	
See Notes Para —	INCOME IN RESPECT OF —		\$
1.	1. TRADE, BUSINESS, PROFESSION OR VOCATION		
2.	2. RENTS, ROYALTIES PREMIUMS etc. arising from PROPERTY		
	Investment	Net Amount received	
	
	
	
	
	Total	
3.	3. INTEREST AND DIVIDENDS (vouchers must be attached)		
	Investment	Gross Amount	
	
	
	
	Total	
4.	4. NET ANNUAL VALUE OF LAND AND IMPROVEMENTS		
	Description	Net annual value	
	
	
	Total	

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Income Tax

[CAP. 35, R 1

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SCHEDULE — (continued)

5.	5. ANY OTHER INCOME NOT INCLUDED ABOVE		
	Source	Amount	
	
	
	
		Total	
	TOTAL		\$

Where any space is insufficient, details should be given on a separate sheet which could be attached to this form. The total should be entered in the appropriate space above. No space should be left blank. If there is no income under any particular head, the word 'NIL' should be entered.

DEDUCTIONS AND ALLOWANCES CLAIMED FOR THE YEAR

ENDED 20

See Notes Para —			
6.	6. INTEREST ON MONEY BORROWED		
	Amount of loan	Details	Amount of interest paid
	TOTAL \$		
7.	7. GIFTS OF MONEY TO INSTITUTIONS OF A PUBLIC CHARACTER		
	Names and address of Institutions		Amount
	TOTAL \$		
8.	8. DOUBLE TAXATION RELIEF		
	Country under whose law tax was paid	Details of Income which has already been taxed	Rate
			Amount
	TOTAL \$		

SCHEDULE — (continued)

9.	9. LOSSES INCURRED IN TRADE BUSINESS ETC. (NOT PREVIOUSLY ALLOWED AS DEDUCTION)	
	Period during which loss was incurred	Amount
	TOTAL \$	
10.	10. INITIAL, ANNUAL AND BALANCING ALLOWANCES	
	(a) Machinery and Plant	
	(b) Industrial Buildings	
	Details of expenditure etc. (see notes)	Amount
	(a)	
	TOTAL \$	
	(b)	
	TOTAL \$	

EXPLANATORY NOTES

These notes are intended only as a general guide in completing the form. If further assistance is required, application should be made to the Collector of Income Tax, The Treasury, Brunei Darussalam. The references are to the relevant sections of the Income Tax Act (Chapter 35).

(As directed on page 1 of the form, certified copies of the Trading and Profit and Loss Accounts and Balance Sheet must accompany this return).

1. INCOME FROM TRADE, BUSINESS, PROFESSION OR VOCATION. (8(1)(a))

Enter here the trading profit of the year. All income accrued in, derived from or received in the State must be included. Income received under heading 2, 3, 4 or 5 should not be included here but should be entered in the relevant section.

EXPENSES WHICH MAY NOT BE DEDUCTED IN COMPUTING PROFITS. (12)

(a) expenses of a domestic or private nature;

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(b) disbursements or expenses not wholly and exclusively laid out in acquiring the income;

(c) capital withdrawn from the business or any sum employed or intended to be employed as capital;

(d) money employed in additions, improvements or alterations as capital, other than the improvement effected in the re-planting of a plantation;

(e) any sum recoverable under an insurance or contract of indemnity;

(f) rent or cost of repairs to any premises not paid or incurred for the purpose of producing the income;

(g) amount payable in respect of Income Tax, Surtax, Profits Tax or Excess Profits Tax;

(h) any payment to a Pension or Provident or Savings Fund or Society, except where the approval of the Collector of Income Tax has been given.

EXPENSES WHICH MAY BE DEDUCTED IN COMPUTING PROFITS. (11)

(a) interest paid on any money borrowed where the borrowed money is employed in producing the income;

(Note — This interest may be deducted in calculating the profit shown in paragraph 1 of the return, or entered as a reduction in section 6. If it is deducted from the profit shown, the fact must be stated in section 6, but the details required by that section must still be supplied, the total being left blank).

(b) rents paid for the use of land or buildings occupied for the purpose of acquiring the income;

(c) cost of repair of plant, machinery, fixture or premises;

(d) cost of replacement of implements and utensils;

(e) debts proved to be bad and doubtful debts to the extent to which they are estimated to have become bad during the accounting period, provided the debts were included as trading receipts in the accounts in which they occurred;

(f) contributions to a Pension or Provident Fund or Society approved by the Collector of Income Tax.

2. RENTS, ROYALTIES, AND PREMIUMS ARISING FROM PROPERTY. (8(1)(f))

Give the address and description of each property, and state the net rents etc. received; i.e. gross rental less outgoings on account of ground, land or quit rents, rates and repairs.

3. INTEREST AND DIVIDENDS. (8(1)(d))

Bank interest and interest on loans or mortgages must be included. The gross amount of interest received by way of dividends on stocks, shares, debentures etc. must be shown. The relative vouchers should accompany the return.

4. NET ANNUAL VALUE OF LAND AND IMPROVEMENTS. (8(1)(c))

This relates to properties used for the purpose of residence or enjoyment by the owner or rent free by the occupier and not for the purpose of gain or profit. Give the address and description of each property and state how the figure given is arrived at in each case. The "net annual value" is the gross amount at which such place of residence could reasonably be expected to let from year to year, the landlord paying the expenses of repair, insurance, maintenance or upkeep and all public rates and taxes.

5. OTHER INCOME.

State the source and amount of any income accruing during the financial period, which has not been included under any of the previous headings.

6. DEDUCTIONS FOR INTEREST PAYABLE. (11(1)(a))

Sums payable by way of interest upon any money borrowed may be claimed as a deduction, provided that the Collector is satisfied that this interest was paid on capital employed in acquiring the income. The following details must be included —

- (a) amount of loan;
- (b) rate of interest;
- (c) security;
- (d) name and address of person advancing the money;
- (e) purpose for which the sum was borrowed.

The amount of interest must be substantiated by receipts.

(Note — The information required by this section must be given though the amount of interest has been included as a deduction from profit in heading 2. The total, however should in that case be left blank and the fact of deduction from profit stated in this section).

7. GIFTS OF MONEY TO INSTITUTIONS OF A PUBLIC CHARACTER. (30(2)(c))

A deduction from the assessable income shall be made not exceeding one-sixth of the statutory income remaining after the deductions under paragraph 9 have been made, in respect of gifts of money in the year preceding the year of assessment to

[Subsidiary]

institutions of a public character in the State approved by the His Majesty in Council. The following are institutions of a public character —

- (a) hospitals not operated for profits;
- (b) benevolent institutions not operated for profit;
- (c) educational institutions not operated for profit;
- (d) public funds for the relief of distress among members of the public.

8. DOUBLE TAXATION RELIEF. (39-42)

A proportionate relief from income tax may be claimed upon any part of the income included in this return which has been or is liable to be charged with United Kingdom Income Tax. Evidence of payment or liability to United Kingdom Income Tax and of the income's having accrued in or been received in or derived from the State of Brunei Darussalam must be produced to support the claim.

9. LOSSES INCURRED IN TRADE OR BUSINESS. (30(2) (a) and (c))

A deduction from the statutory income may be claimed on account of a loss sustained during the year of assessment, provided that no deduction shall be made in respect of loss incurred prior to the commencement of the year preceding the first year of assessment. Where a loss is incurred in the basis period of any year of assessment the amount of such loss attributable to activities in the State of Brunei Darussalam shall be carried forward and be deducted or set off as far as is practicable against statutory income within the following 6 years of assessment. The claim must be made in writing within one year from the end of the year of assessment.

10. INITIAL, ANNUAL AND BALANCING ALLOWANCES. (13-18)

An initial allowance is made on capital expenditure on machinery and plant, and on the construction of industrial building incurred during the year. An annual allowance is also made in respect of machinery and plant, and industrial buildings. The rates of these allowances are —

Initial allowances —

Machinery and plant,	1/5 of capital expenditure		
Industrial Building.	1/10	do	do

Annual allowance —

Machinery and plant,	to be prescribed
Industrial Building,	1/50 of capital expenditure.

Where machinery and plant, or industrial buildings under 50 years old, are sold, scrapped or destroyed during the year a balancing allowance is made if a loss arises.

(A balancing charge is made if a profit accrues). If any claim for deduction is made under this section, the following information must be supplied —

<u>Machinery and Plant</u>	<u>Industrial Buildings</u>
(a) details of capital expenditure;	(a) description of buildings and addresses;
(b) date of expenditure;	(b) nature of interest in the buildings;
(c) amount of expenditure;	(c) date of erection;
(d) details of sales, destruction or obsolescence;	(d) date of original use as industrial buildings;
(e) amount of proceeds, compensation monies etc.	(e) details of sales, destruction, demolitions or cession of use;
	(f) amount of proceeds, compensation monies etc.

(Note that in the first year of assessment, capital expenditure on industrial buildings and machinery and plant made on or after 1st January 1946, may rank as having been made in the basis period).

N.B.

11. PENALTIES.

Failure to furnish a return may render you liable to prosecution (section 78).

Any person making, without reasonable excuse, a return which is false in any material particular, is guilty of an offence: Penalty, a fine not exceeding \$1,000 and double the amount of tax which ought to have been charged may be imposed, and in default of payment imprisonment for a term not exceeding 6 months (section 79).

In the case of wilful intention to evade or to assist any other person to evade tax, a fine not exceeding \$10,000 and treble the amount of tax which ought to have been charged may be imposed, or imprisonment for a term not exceeding 3 years, or both such fine and imprisonment (section 80).

STATE OF BRUNEI DARUSSALAM
INCOME TAX: YEAR OF ASSESSMENT 20.....

NOTICE OF ASSESSMENT

To
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TAKE NOTICE, under the provisions of section 65 of the Income Tax Act (Chapter 35) that for the year of assessment 20, the chargeable income of has been assessed to income tax in the sum of \$

The tax payable is as follows —

Tax on chargeable income at 20% \$
Less United Kingdom Tax
relief
Net tax payable

This amount should be paid to the State Treasurer, the Treasury, Brunei Darussalam within 30 days after the service of this notice, unless notice of objection is given as provided by subsection (2) of section 65 of the Income Tax Act, which reads as follows —

Revision of assessment in case of objection.

65 (2). If any person disputes the assessment, he may apply to the Collector, by notice of objection in writing, to review and to revise the assessment made upon him. Such application shall state precisely the grounds of his objections to the assessment and shall be made within 60 days from the date of the service of the notice of assessment:

Provided that the Collector, upon being satisfied that owing to absence from the State, sickness or other reasonable cause, the person disputing the assessment was prevented from making the application within such period, shall extend the period as may be reasonable in the circumstances.

In the event of a notice of objection having been lodged under subsection (2) of section 65 of the Income Tax Act (Chapter 35), the amount of the assessment may be agreed between us and the assessment amended accordingly. If agreement is not reached, you may appeal to the High Court, in accordance with the provisions of section 67 of the Income Tax Act (Chapter 35).

Section 68 of the Income Tax Act (Chapter 35). provides that, in the absence of a valid objection or appeal, the assessment shall be final and conclusive.

Section 72 of the Income Tax Act (Chapter 35) provides that, if the tax is not paid as prescribed by section 70 of the Income Tax Act a PENALTY of 5 per centum of the tax shall be imposed, and the person charged may also incur the further penalty for guilty of an offence against the Income Tax Act (Chapter 35).

.....
Collector of Income Tax.

Date

(I.T.3)

STATE OF BRUNEI DARUSSALAM

INCOME TAX: YEAR OF ASSESSMENT 20

DEMAND NOTE

To
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I have to remind you that the tax due from for the year of assessment 20, namely \$, of which notice was issued to you on has not been paid. Under paragraph (b) of subsection (1) of section 72 of the Income Tax Act (Chapter 35) the payment of the tax of \$ is hereby demanded, together with \$, being the penalty of 5 per centum of the tax imposed by paragraph (a) of subsection (1) of section 72 of the Income Tax Act (Chapter 35). The total sum \$ must be paid to the State Treasurer, the Treasury, Brunei Darussalam, within not more than 2 months from the date of this notice. In the absence of payment as stipulated, proceedings will be commenced for the recovery of the full sum of the tax and the penalty, together with full

[Subsidiary]

costs of suit, as a debt due to the Government, without prejudice to any prosecution for failure to comply with the requirements of the Income Tax Act (Chapter 35).

.....
Collector of Income Tax.

Date

STATE OF BRUNEI DARUSSALAM

(I.T.4)

INCOME TAX: YEAR OF ASSESSMENT 20

DECLARATION OF SECRECY

I,

being employed in the administration of the Income Tax Act (Chapter 35) and having read the provisions of section 4 of the Income Tax Act (Chapter 35) do hereby solemnly declare that I will observe strict secrecy as regards all returns, documents, assessments and other information coming to my notice in the course of my duties in connection with the administration of the said Act (Chapter 35), and will not communicate or reveal any information regarding such returns, documents and assessments otherwise than for the purposes of the said Act.

Signed

Declare this day of 20

Before me

.....
Collector of Income Tax.