

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, Ministry of Finance, Brunei Darussalam. The references are to the relevant sections of the Income Tax Act, 1949.

(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 Brunei Darussalam must be included. Income received under headings 2, 3, 4 and S 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 ;
- (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- (c) capital withdrawn from the business or any sum employed or intended to be employed as capital ;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 improvements 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) amounts payable in respect of Income Tax, Surtax, Profits Tax or Excess Profits Tax ;
- (h) any payment to a 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).
- (h) rents paid for the use of land or buildings occupied for the purpose of acquiring the income ;
- (c) cost repair of plant, machinery fixtures 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 ;
- (0) contributions to a Pension 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 IMPROVEMENT. (8(1) (c))

This relates to properties used for the purpose of residence or enjoyments 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 unkeep and all public rates and taxes.

5. OTHER INCOME

State the source and amount of any other 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.