

NOTE : The information required by this section must be given though the amount of interest has been included as 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 para. 9 have been made, in respect of gifts of money in the year preceding the year of assessment to institutions of a public character in the State approved by the Sultan in Council (S. 99/59).

The following are institutions of a public character :-

- (a) hospitals not operated for profit ;
- (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.

The claim should be supported by receipts.

8. DOUBLE TAXATION RELIEF. (40-42)

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 Commonwealth income tax. Evidence of payment or liability to Commonwealth income tax and or the income's having accrued in or been received in or from Brunei Darussalam must be produced to support the claim.

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

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 a 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 Brunei Darussalam shall be carried forward and be deducted or set off as far as is practicable against statutory income within the following six 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 buildings 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 allowance : Machinery and plant, 1/5 of capital expenditure
Industrial buildings, 1/10 of capital expenditure
Annual allowance : Machinery and plant, to be prescribed
Industrial buildings, 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 :

Machinery and Plant	Industrial Buildings
(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 expenditures ;	(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 sale; 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 liable to a fine of ten thousand dollars and double the amount of tax which has been under charged may be imposed, and in default of payment to imprisonment for twelve months (Section 79).

In the case of wilful intention to evade or to assist any other person to evade tax a fine of ten thousand dollars and treble the amount of tax for he is liable under this Act may be imposed, or imprisonment for three years (Section 80).