

No. S 45

CONSTITUTION OF BRUNEI DARUSSALAM
(Order under section 83(3))

INCOME TAX (AMENDMENT) ORDER, 2001

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CONSTITUTION OF BRUNEI DARUSSALAM
(Order under section 83(3))

INCOME TAX (AMENDMENT) ORDER, 2001

In exercise of the power conferred by subsection (3) of section 83 of the Constitution of Brunei Darussalam, His Majesty the Sultan and Yang Di-Pertuan hereby makes the following Order —

Citation and commencement.

1. This Order may be cited as the Income Tax (Amendment) Order, 2001 and shall commence on 1st. June, 2001.

Amendment of section 2 of Chapter 35.

2. Section 2 of the Income Tax Act, in this Order referred to as the Act, is amended —

- (a) by deleting the definition " "company" means a company formed and registered under the Company Act (Cap. 39)" and by substituting " " company" means a company incorporated or registered under the Companies Act (Chapter 39) or any law in force elsewhere" therefor;
- (b) by inserting the following two new definitions immediately after the definition of "incapacitated person" —

" "Minister" means the Minister of Finance;

"permanent establishment" means a fixed place where a business is wholly or partly carried on including —

- (a) a place of management;
- (b) a branch;
- (c) an office;
- (d) a factory;
- (e) a warehouse;
- (f) a workshop;
- (g) a farm or plantation;

(h) a mine, oil well, quarry or other place of extraction of natural resources;

(i) a building or work site or a construction, installation or assembly project,

and without prejudice to the generality of the foregoing, a person shall be deemed to have a permanent establishment in Brunei Darussalam if that person —

(j) carries on supervisory activities in connection with a building or work site or a construction, installation or assembly project; or

(k) has another person acting on that person's behalf in Brunei Darussalam who —

(i) has and habitually exercises an authority to conclude contracts;

(ii) maintains a stock of goods or merchandise for the purpose of delivery on behalf of that person; or

(iii) habitually secures orders wholly or almost wholly for that person or for such other enterprises as are controlled by that person;"; and

(c) by inserting the following two new definitions immediately after the definition of "replanting" —

" "research and development" means any systematic or intensive study carried out in the field of science or technology with the object of using the results of the study for the production or improvement of materials, devices, products, produce, or processes, but does not include —

(a) quality control or routine testing of materials, devices or products;

(b) research in the social sciences or the humanities;

(c) routine data collection;

(d) efficiency surveys or management studies; or

(e) market research or sales promotion;

"research and development company" means a company which provides research and development services for any trade or business;".

Amendment of section 5.

3. Section 5 of the Act is amended, in subsection (1), by deleting "The Collector may, with the approval of His Majesty in Council" from the first two lines and by substituting "The Minister may, with the approval of His Majesty the Sultan and Yang Di-Pertuan" therefor.

Substitution of section 6.

4. The Act is amended by deleting section 6 and substituting the following therefor —

"Service and signature of notices.

6. (1) Except where it is provided by this Act that service shall be effected either personally or by registered post, a notice may be served on a person either personally or by being sent through the post.

(2) Where a notice is served by ordinary or registered post, it shall be deemed to have been served on the day succeeding the day on which the notice would have been received in the ordinary course of post if the notice is addressed —

- (a) in the case of a company incorporated in Brunei Darussalam, to the registered office of the company;
- (b) in the case of a company incorporated outside Brunei Darussalam, either to the individual authorised to accept service of process under the Companies Act (Chapter 39), or to the registered office of the company wherever it may be situated;
- (c) in the case of an individual or a body of persons, to the last known business or private address of such individual or body of persons.

(3) Where the person to whom there has been addressed a registered letter containing any notice which may be given under this Act is informed of the fact that there is a registered letter awaiting him at a post office and such person refuses or neglects to take delivery of such registered letter, such notice shall be deemed to have been served upon him on the date on which he was informed that there was a registered letter awaiting him at a post office.

(4) Every notice to be given by the Collector under this Act shall be signed by the Collector or by some person or persons from time to time

authorised by him in that behalf under section 3, and every such notice shall be valid if the signature of the Collector is duly printed or written thereon.

(5) Any notice under this Act requiring the attendance of any person or witness before the Collector shall be signed by the Collector or by a person duly authorised by him as aforesaid".

Insertion of new sections 11A, 11B, 11C and 11D.

5. The Act is amended by inserting the following four new sections immediately after section 11 —

"Further deduction for expenses relating to approved trade fairs, exhibitions or trade missions or to maintenance of overseas trade office.

11A. (1) Where the Collector is satisfied that expenses have been incurred —

- (a) on or after 1st. January, 2001 by an approved company resident in Brunei Darussalam in establishing, maintaining or otherwise participating in an approved overseas trade fair, exhibition or trade mission which is for the primary purpose of promoting the export of goods manufactured in Brunei Darussalam;
- (b) on or after 1st. January, 2001 by an approved company resident in Brunei Darussalam in establishing, maintaining or otherwise participating an approved local trade fair or exhibition which is for the primary purpose of promoting the export of goods manufacture in Brunei Darussalam;
- (c) on or after 1st. January, 2001 by an approved company resident in Brunei Darussalam which is engaged in the manufacture of goods in Brunei Darussalam or the export of goods manufactured in Brunei Darussalam, in maintaining an approved overseas trade office established exclusively for the purpose of promoting the export of such goods;
- (d) on or after 1st. January, 2001 by an approved company in Brunei Darussalam and carrying on in Brunei Darussalam the business of providing services in establishing, maintaining or otherwise participating in an approved local or overseas trade fair or exhibition, trade mission or trade promotion activity for the primary purpose of promoting the provision of services overseas;

- (e) on or after 1st. January, 2001 by an approved company resident in Brunei Darussalam and carrying on in Brunei Darussalam the business of providing services in maintaining an approved overseas trade office established exclusively for the purpose of promoting the provision of services overseas;
- (f) on or after 1st. January, 2001 by an approved company resident in Brunei Darussalam which is the holder of a master franchise or master intellectual property licence in establishing, maintaining or otherwise participating in an approved local or overseas promotion activity for the primary purpose of promoting the provision of services overseas in connection with the use overseas of any right under the franchise or licence; or
- (g) on or after 1st. January, 2001 by an approved company resident in Brunei Darussalam which is the holder of a master franchise or master intellectual property licence in maintaining an approved overseas trade office established exclusively for the purpose of promoting the provision of services overseas in connection with the use overseas of any right under the franchise or licence,

there shall be allowed a further deduction of the amount of such expenses in addition to the deduction allowed under section 11 subject to the following provisions of this section.

(2) In respect of the deduction allowable to a company under paragraph (b) of subsection (1), if the export sales of the manufacturer do not exceed 50% of his total sales in the basis period for the year of assessment, the amount of deduction to be allowed shall be determined in accordance with the formula.

$$\frac{B}{A \times C}$$

where A is the amount of expenses incurred;

B is the export sales in the basis period for the year of assessment;
and

C is the total sales in the basis period for the year of assessment.

(3) In respect of the deduction allowable to a company for expenses incurred in establishing, maintaining or otherwise participating in an approved local trade fair or exhibition under paragraph (d) of subsection (1), if the gross revenue of the company in the basis period for any year of assessment from the provision of services on persons not resident in Brunei

Darussalam and having no permanent establishment in Brunei Darussalam or to permanent establishments outside Brunei Darussalam of persons resident in Brunei Darussalam or elsewhere does not exceed 50% of its total gross revenue in that basis period from the provision of services, the amount of deduction to be allowed to the company or firm shall be determined in accordance with the formula.

$$\frac{A \times B}{C}$$

where A is the amount of expenses incurred;

B is the gross revenue in the basis period for the year of assessment from the provision of services to persons not resident in Brunei Darussalam and having no permanent establishment in Brunei Darussalam or to permanent establishments outside Brunei Darussalam of persons resident in Brunei Darussalam or elsewhere; and

C is the total gross revenue in the basis period for the year of assessment from the provision of services.

(4) The Minister may specify the maximum amount of expenditure (or any item thereof) to be allowed under subsection (1).

(5) No deduction shall be allowed under this section in respect of —

- (a) any expenses which are not allowed as deductions under section 11;
- (b) travelling, accommodation and subsistence expenses or allowances for more than 2 employees taking part in the approved overseas trade fair, exhibition or trade mission;
- (c) any expenses incurred during its tax relief period (or qualifying period in the case of investment allowance) by a company which is given tax relief under the Investment Incentives Order, 2001; and
- (d) any expenses relating to an approved overseas trade office —
 - (i) which are incurred in the establishment of the approved overseas trade office;
 - (ii) by way of remuneration, travelling, accommodation and subsistence expenses or allowances for more than 3 employees of the approved overseas trade office;

- (iii) which are specifically excluded as a condition for the approval of the overseas trade office under this section;
- (iv) which are incurred after the end of the first 2 years of the date of establishment of the approved overseas trade office; and
- (v) which are incurred by a company having a permanent establishment subject to tax in the country in which the approved trade office is established.

(6) As soon as any amount of further deduction is allowed to any company under this section, section 11B or 11D, a sum equal to that amount shall be credited to an account (referred to in this section as the further deduction account) to be kept by the company for the purposes of any of those sections.

(7) Where for any year of assessment a further deduction account of a company is in credit, the company shall —

- (a) debit from that account such amount as would have been the chargeable income had the further deduction not been allowed or the amount of the credit in that account, whichever is the less; and
- (b) credit the amount debited under paragraph (a) to an account to be called a tax exempt account which shall be kept by the company for the purposes of this section, section 11B or 11D.

and any remaining balance in the further deduction account shall be carried forward to be used by company in the first subsequent year of assessment when the company has chargeable income had the further deduction not been allowed, and so on for subsequent years of assessment until the credit in the further deduction account has been fully used.

(8) Where a tax exempt account of a company is in credit at the date on which any dividends are paid by the company out of the net amount credited to that account, an amount equal to those dividends or to that credit, whichever is the less, shall be debited to the tax exempt account.

(9) So much of the amount of any dividends debited to the account as is received by a shareholder of the company shall, if the Collector is satisfied with the entries in the account, be exempt from tax in the hands of the shareholder.

(10) Section 36 shall not apply to any dividends or part thereof which is exempt from tax under this section.

(11) Where an amount of dividends exempt from tax under this section has been received by a shareholder, which is a holding company owning, at the time such dividends are received, not less than 50% beneficial interest in the issued capital of the company, any dividends paid by the holding company to its shareholders, to the extent that the Collector is satisfied that those dividends are paid out of such amount, shall be exempt from tax in the hands of those shareholders; and section 36 shall not apply to any such dividends or part thereof.

(12) Notwithstanding subsections (9) and (11), no dividend paid on any share of a preferential nature shall be exempt from tax in the hands of the shareholder.

(13) A company shall deliver to the Collector a copy of the account made up to any date specified by him whenever called upon to do so by notice in writing.

(14) Notwithstanding anything in this section, where it appears to the Collector that in any year of assessment —

- (a) any further deduction which has been allowed under this section, section 11B or 11D; or
- (b) any dividend, including a dividend paid by a holding company, which has been exempted from tax in the hands of any shareholder,

ought not to have been so allowed or exempted, as the case may be, the Collector may, within the year of assessment or within 6 years after the expiration thereof —

- (i) make such assessment or additional assessment upon the company or any such shareholder as may be necessary in order to make good any loss of tax; or
- (ii) direct the company to debit its tax exempt account with such amount as the circumstances require.

(15) In this section —

"approved" means approved by the Minister charged with the responsibility for industrial development;

"master franchise" means any agreement under which the franchisor authorises or permits the franchisee to use in Brunei Darussalam or overseas a business system owned or controlled by the franchisor, including the sub-franchising of the business system;

"master intellectual property licence" means any licence under which the licensor authorises or permits the licensee to use in Brunei Darussalam or overseas the rights under a patent, copyright, trademark, design or know-how, including the sub-licensing of the same.

Further deduction for export market development expenditure and certain advertising expenses.

11B. (1) Subject to this section, where the Collector is satisfied that —

- (a) export market development expenditure for the carrying out of an approved marketing project overseas; or
- (b) advertising expenses in respect of advertisements placed in any approved Brunei Darussalam publication designed for publicity overseas,

have been incurred —

- (i) on or after 1st. January, 2001 by an approved company resident in Brunei Darussalam principally for promoting the export of goods manufactured in Brunei Darussalam;
- (ii) on or after 1st. January, 2001 by an approved company resident in Brunei Darussalam and carrying on in Brunei Darussalam the business of providing services principally for promoting the provision of services overseas; or
- (iii) on or after 1st. January, 2001 by an approved company resident in Brunei Darussalam which is the holder of a master franchise or master intellectual property licence principally for promoting the provisions of services overseas in connection with the use overseas of any right under the franchise or licence,

there shall be allowed a further deduction of the amount of such expenditure in addition to the deduction allowed under section 11.

(2) The Minister may specify the maximum amount of export market development expenditure (or any item thereof) or of advertising expenses to be allowed under subsection (1).

- (3) No deduction shall be allowed under this section in respect of —
- (a) any expenses which are not allowed as deductions under section 11;
 - (b) any expenses incurred during its tax relief period (or qualifying period in the case of investment allowance) by a company which is given tax relief under the Investment Incentives Order, 2001;
 - (c) any expenses which are allowed as deductions under section 11A; or
 - (d) travelling, accommodation and subsistence expenses or allowances for more than 2 employees taking part overseas in the approved marketing project.

- (4) In this section —

"approved" means approved by the Minister charged with the responsibility for industrial development;

"export market development expenditure" means —

- (a) expenses directly attributable to the carrying out of export market research or obtaining of export market information, including any feasibility study;
- (b) expenses in respect of advertisements placed in overseas news media, including television, newspapers and trade journals;
- (c) expenses incurred on overseas export promotion campaigns; or
- (d) expenses incurred in the design of the packaging, or in the certification, of goods manufactured in Brunei Darussalam for export or in the certification of services to be provided overseas where such certification is carried out by an approved person;

"master franchise" and "master intellectual property licence" have the same meanings as in section 11A.

Expenditure on research and development.

11C. (1) For the purpose of ascertaining the income of any person carrying on a manufacturing trade or business or a trade or business for the provision

of specified services, the following expenditure incurred on or after the respective dates referred to in subsection (2) (other than any amount which is allowable as a deduction under section 11) by that person shall be allowed as a deduction —

- (a) expenditure incurred on research and development undertaken directly by him and related to that trade or business (except to the extent that it is capital expenditure on plant, machinery, land or buildings or on alterations, additions or extensions to buildings or in the acquisition of rights in or arising out of research and development); and
- (b) payments made by that person to an approved research and development company for undertaking on his behalf research an development related to that trade or business.

(2) For the purposes of subsection (1) —

- (a) any person carrying on a manufacturing trade or business shall only be allowed as deduction expenditure incurred on or after 1st. January, 2001; and
- (b) any person carrying on a trade or business for the provision of specified services shall only be allowed as deduction expenditure incurred on or after 1st. January, 2001.

(3) In this section —

"approved" means approved by the Minister charged with the responsibility for industrial development;

"specified services" means —

- (a) services and activities which relate to the development of computer programs;
- (b) services and activities which relate to the technology involved in acquiring, storing, processing or distributing information by the use of computers or computer programs;
- (c) services and activities which relate to technology applied to agriculture, horticulture or the farming of livestock, fish or other forms of aquatic life;
- (d) laboratory and testing services;
- (e) services and activities which relate to medical research; and

- (f) any other services or activities as may be prescribed by the Minister.

(4) For the purposes of this section, any expenditure incurred by a person prior to the commencement of his trade or business shall be deemed to have been incurred by that person on the first day on which he carries on that trade or business.

Further deduction for expenditure on research and development project.

11D. (1) Subject to this section, where the Collector is satisfied that —

- (a) a person carrying on a manufacturing trade or business has incurred expenditure on or after 1st. January, 2001 in undertaking directly by himself, or in paying a research and development company to undertake on his behalf, an approved research and development project in Brunei Darussalam which is related to that trade or business;
- (b) a research and development company has incurred expenditure on or after 1st. January, 2001 in undertaking an approved research and development project in Brunei Darussalam and no deduction under this section has been allowed to another person in respect of any expenditure for that project or for another project of which that project forms a part; or
- (c) a person carrying on a trade or business for the provision of any specified services has incurred expenditure on or after 1st. January, 2001 in undertaking directly by himself, or in paying a research and development company to undertake on his behalf, an approved research and development project in Brunei Darussalam which is related to that trade or business,

there shall be allowed to that person or research and development company a further deduction of the amount of such expenditure in addition to the deduction allow under section 11 or 11C.

(2) The Minister may —

- (a) specify the maximum amount of the expenditure (or any item thereof) incurred to be allowed under section (1);
- (b) impose such conditions as he thinks fit when approving the research and development project; and

(c) specify the period or periods for which deduction is to be allowed under this section.

(3) No deduction shall be allowed under this section in respect of any expenditure which is not allowed under section 11 or 11C.

(4) In this section —

"approved" means by the Minister charged with the responsibility for industrial development;

"specified services" has the same meaning as in section 11C."

Insertion of new section 16A.

6. The Act is amended by inserting the following new section immediately after section 16 —

"Writing-down allowances for approved know-how or patents.

16A. (1) Subject to this section, where on or after 1st. January, 2001 a person carrying on a manufacturing trade or business has incurred capital expenditure in acquiring any approved know-how or any approved patent rights for use in that trade or business (referred to in this section as the relevant trade or business), writing-down allowances in respect of that expenditure shall be made to him during a writing-down period of 4 years beginning with the year of assessment relating to the basis period in which that expenditure is incurred.

(2) The writing-down allowance to be made to a person under this section for any year of assessment shall be an amount equal to 25% of the expenditure incurred by him on the acquisition of the approved know-how or patent rights, as the case may be.

(3) Any expenditure incurred on the acquisition of any approved know-how or patent rights by a person before the commencement of his trade or business shall be treated for the purpose of this section as if it had been incurred by him on the first day he commences that trade or business.

(4) Where writing-down allowances have been made to any person under this section in respect of any approved patent rights and, before the end of the writing-down period, any of the following events occurs —

(a) the rights come to an end without being subsequently revived;

(b) he sells all those rights or so much thereof as he still owns; or

- (c) he sells part of those rights and the net proceeds of the sale (so far as they consist of capital sums) are not less than the amount of the expenditure remaining unallowed,

no writing-down allowance in respect of the approved patent rights shall be made to that person for the year of assessment relating to the basis period in which the event occurs or for any subsequent year of assessment.

(5) Where writing-down allowances have been made to any person under this section in respect of any approved patent rights and, before the end of the writing-down period, either of the following events occurs —

- (a) the rights come to an end without being subsequently revived; or
- (b) he sells all those rights, or so much thereof as he still owns, and the net proceeds of the sale (so far as they consist of capital sums) are less than the amount of the expenditure remaining unallowed,

there shall be made to him for the year of assessment relating to the basis period in which the event occurs a balancing allowance equal, if the event is the rights coming to an end, to the amount of the expenditure remaining unallowed, and, if the event is a sale, to the amount of the expenditure remaining unallowed less the net proceeds of the sale.

(6) Where a person to whom writing-down allowances have been made under this section in respect of any approved patent rights —

- (a) sells all or any part of those rights and the net proceeds of the sale (so far as they consist of capital sums) exceed the amount of the expenditure remaining unallowed, if any, there shall be made on him for the year of assessment relating to the basis period in which the sale occurs a charge (referred to in this section as a balancing charge) on an amount equal to the excess or, where the amount of the expenditure remaining unallowed is nil, to the net proceeds;
- (b) sells a part of those rights and paragraph (a) does not apply, the amount of any writing-down allowance made in respect of the capital expenditure incurred in acquiring the approved patent rights for the year of assessment relating to the basis period in which the sale occurs or any subsequent year of assessment shall be the amount arrived at by —
 - (i) subtracting the net proceeds of the sale (so far as they consist of capital sums) from the amount of the

expenditure remaining unallowed at the time of the sale;
and

- (ii) dividing the result by the number of complete years of the writing-down period remaining at the beginning of the year of assessment relating to the basis period in which the sale occurs,

and so on for any subsequent sales.

(7) References in subsections (5) and (6) to the amount of any expenditure remaining unallowed shall, in relation to any event, be construed as references to the amount of that expenditure less any writing-down allowances made in respect thereof for the years of assessment before the year of assessment relating to the basis period in which the event occurs, and less also the net proceeds of any previous sale by the person who incurred the expenditure of any part of the rights acquired by the expenditure, so far as those proceeds consist of capital sums.

(8) Notwithstanding anything in subsection (6), the total amount on which a balancing charge is made in respect of any expenditure shall not exceed the total writing-down allowances actually made in respect of that expenditure, less, if a balancing charge has previously been made in respect of that expenditure, the amount on which that charge was made.

(9) Where a person to whom writing-down allowances have been made under this section in respect of any approved know-how disposes of the approved know-how, the amount or value of any consideration received by him for the disposal shall, so far as it is not chargeable to tax as a revenue or income receipt, be treated for all purposes as a trading receipt of the relevant trade or business.

(10) Where a person to whom writing-down allowances have been made under this section ceases to carry on the relevant trade or business, an allowance equal to the amount of the expenditure remaining unallowed in respect of the approved know-how or patent rights, as the case may be, shall be made to him in computing his income for the year of assessment relating to the basis period in which the cessation occurs.

- (11) In this section —

"approved" means approved by the Minister charged with the responsibility for industrial development;

"know-how" means any industrial information and techniques likely to assist in the manufacture or processing of goods or materials;

"patent rights" means the right to do or authorise the doing of anything which would, but for that right, be an infringement of a patent.

(12) For the purposes of this section —

(a) any reference to the sale of part of patent rights includes a reference to the grant of a licence in respect of the patent in question, and any reference to the acquisition of patent rights includes a reference to the acquisition of a licence in respect of a patent;

(b) any disposal or sale which occurs the date on which the relevant trade or business permanently ceases, shall be deemed to have occurred immediately before the cessation".

Amendment of section 25.

7. Section 25 of the Act is amended by deleting subsections (1) and (2) and by substituting the following therefor —

"(1) Where the Collector is satisfied that the purpose or effect of any arrangement is directly or indirectly —

(a) to alter the incidence of any tax which is payable by, or which would otherwise have been payable by, any person;

(b) to relieve any person from any liability to pay tax or to make a return under this Act; or

(c) to reduce or avoid any liability imposed or which would otherwise have been imposed on any person by this Act,

he may, without prejudice to such validity as it may have in any other respect or for any other purpose, disregard or vary the arrangement and make such adjustment as he considers appropriate, including the computation or re-computation of gains or profits, and the imposition of liability to tax, so as to nullify any tax advantage obtained or obtainable from or under that arrangement.

(2) In subsection (1), "arrangement" includes any scheme, trust, grant, covenant, agreement, disposition transaction and all steps by which it is carried into effect."

Amendment of section 52.

8. Section 52 of the Act is amended by inserting "in such form and manner as the Collector may determine" immediately after "him" in the second line.

Insertion of new sections 55A and 55B.

9. The Act is amended by inserting the following two new sections immediately after section 55 —

"Power to call for statements of bank etc.

"55A. The Collector may give notice in writing to any person requiring him to furnish within the time limited by such notice, not being less than 30 days from the date of service of such notice, a statement containing particulars of —

- (a) all banking accounts, whether current or deposit, business or private, in that person's own name or in the name or names of his wife or wives, or in any other name, in which he is or has been interested, or on which he has or has had the power to operate, jointly or solely, and which are in existence or which have existed at any time during the period stated in the notice;
- (b) all savings and loan accounts, deposits, building society and co-operative society accounts, in regard to which he has, or has had, any interest or power to operate jointly or solely during the period stated in the notice;
- (c) all assets, other than those referred to in paragraphs (a) or (b), which he and his wife or wives possess, jointly or solely, or have possessed during the period stated in the notice;
- (d) all sources of income not referred to in paragraphs (a), (b) or (c) and the income derived therefrom during the period stated in the notice;
- (e) all facts bearing upon his liability to income tax to which he is, or has been, liable.

Power of access to building and document etc.

55B. (1) The Collector and any officer authorised in writing by him in that behalf shall at all times have full and free access to all land, buildings, places, books, documents and other papers for any of the purposes of this Act and

may, without fee or reward, inspect, copy or make extracts from any such books, documents or papers.

(2) The Collector may take possession of any books, documents or papers to which he has access under subsection (1) where in his opinion —

- (a) the inspection, copying thereof or extraction therefrom cannot reasonably be performed without taking possession;
- (b) the books, documents or papers may be interfered with or destroyed unless possession is taken; or
- (c) the books, documents or papers may be required as evidence in proceedings for an offence under this Act or on proceedings for the recovery of tax or liabilities as may be demanded by the Collector for the purposes of this Act.

(3) Where in the opinion of the Collector it is necessary for the purpose of ascertaining income in respect of the gains or profits from any business for any period to examine any books, accounts or records kept otherwise than in the Malay or English languages, he may by notice require any person carrying on that business during any period to furnish within the time stated in the notice (not being less than 30 days from the date of service of the notice) a translation in the Malay or English languages of those books, accounts or records."

Amendment of section 53.

10. Section 53 of the Act is amended by deleting "subsection (1) of this section" from the fourth and fifth lines and by substituting "section 52" therefor.

Amendment of section 61.

11. Section 61 of the Act is amended, in subsection (1), by deleting "53" from the last line and by substituting "52" therefor.

Amendment of section 70.

12. Section 70 of the Act is amended by deleting "2 months" from the sixth line and by substituting "30 days" therefor.

Amendment of section 72.

13. Section 72 of the Act is amended —

- (a)* in paragraph *(b)* of subsection (1), by deleting "2 months" from the third line and by substituting "30 days" therefor;
- (b)* by inserting immediately after paragraph *(b)* the following new paragraph —
 - "*(bb)* Notwithstanding the provisions of paragraphs *(a)* and *(b)* if the amount of tax outstanding is not paid within 60 days of the imposition of the penalty as provided by paragraph *(a)*, an additional penalty of 1% of the tax outstanding shall be payable for each completed month that the tax remains unpaid, but the total additional penalty shall not exceed 12% of the amount of tax outstanding, and the provisions of this Act relating to the collection and recovery of tax shall apply to the collection and recovery of tax of such additional penalty; "

Amendment of section 78.

14. Section 78 of the Act is amended —

- (a)* in paragraph *(a)* of subsection (1), by deleting "subsection (1) of section 53" from the fourth line and by substituting "section 52, section 55A, section 53" therefor;
- (b)* in paragraph *(b)* of subsection (1), by deleting "subsection (2) of" from the second line and "or" from the fourth line;
- (c)* by inserting "or" immediately after the semi-colon in paragraph *(c)* of subsection (1);
- (d)* by inserting immediately after paragraph *(c)* the following new paragraph —
 - "*(d)* obstructs or hinders any officer acting in the discharge of his duty under this Act or any rules made thereunder.";
- (e)* in subsection (2), by deleting "he shall have been personally served with such notice" from the last two lines and by substituting "such notice has been served on him personally or by registered post" therefor;

Amendment of section 79.

15. Section 79 of the Act is amended by deleting subsection (2).

20th. JUNE, 2001

Amendment of First Schedule.

16. The Act is amended by deleting subparagraph (ii) of paragraph *(b)* of the First Schedule.

Made this 28th. day of Safar, 1422 Hijriah corresponding to the 22nd. day of May, 2001 at Our Istana Nurul Iman, Bandar Seri Begawan, Brunei Darussalam.

HIS MAJESTY
THE SULTAN AND YANG DI-PERTUAN
BRUNEI DARUSSALAM