



TAX PRACTICE UPDATES:

CIT v IA (CA)

- Understanding the Differences between Deductible Revenue Expenses and Non-Deductible Capital Expenses for Singapore Income Tax Purposes

Wednesday, 31 January 2007, 3.00pm to 6.00pm
FTSE Room, Capital Tower

About this Seminar

This seminar will explain the fundamental "capital versus revenue" distinction in income tax law which is one of the key factors for determining the deductibility of expenses and also the taxability of receipts. Particular focus will be made on the recent Singapore Court of Appeal decision in *Comptroller of Income Tax v. IA* where Judge of Appeal Andrew Phang, Justice V. K. Rajah and Justice Judith Prakash held that borrowing expenses incurred in connection with loans obtained to acquire and develop trading stocks are deductible revenue expenses.

Prior to the decision in *CIT v IA*, the Singapore tax authority had always disallowed borrowing expenses (other than interest) because it was of the view that such expenses were always capital in nature. The Court of Appeal also held that guarantee expenses incurred to refinance revenue loans are also deductible revenue expenses. The implication of the decision in *CIT v IA* is far-reaching for all traders. Following the decision in *CIT v IA*, the manner in which borrowings are structured can therefore affect the deductibility of borrowing expenses incurred in connection with such borrowings.

3.00–3.15pm	Registration & Refreshments
3.15–3.20pm	Opening Remarks by Chairperson <i>Associate Professor Stephen Phua</i>
3.20–4.20pm	Distinction between Capital and Revenue / CIT v IA (Part 1) <i>Ms Teoh Lian Ee / Ms Stacy Choong</i>
4.20–4.40pm	Break
4.40–5.40pm	CIT v IA (Part 2) <i>Ms Teoh Lian Ee / Ms Stacy Choong</i>
5.40 – 6.00pm	Panel Discussion / Question & Answer Session

About the Chairperson

Associate Professor STEPHEN PHUA, LL.M. (Tax)(Lond), LL.B.(NUS), Advocate and Solicitor, Supreme Court of Singapore, teaches Income Tax, GST and International Tax Law at the Faculty of Law, National University of Singapore. He is a member of the Singapore Income Tax Board of Review, Goods and Services Tax Board of Review and Valuation Review Board. He is also a member of the Tax Advisory Group, Ministry of Finance and

a member of the Steering Group of the International Network for Tax Research, Centre for Tax Policy and Administration, OECD. He has delivered many papers and published articles in refereed journals in taxation laws. He is the Editor of 'Recent Developments in Financial Regulation and Capital Markets' (2003).

About the Speakers

Mrs. Teoh Lian Ee

Lian-Ee Teoh (Mrs) is the Head of the Tax, Estate Planning, Trust and Probate practice in Drew & Napier LLC Singapore. Prior to joining Drew & Napier, she worked in the Inland Revenue Department of Singapore where she advised on both civil and criminal matters relating to all aspects of tax. Lian Ee is listed in several leading legal publications (Euromoney Publications "Guide to the World's Leading Tax Lawyers" and "Asia Law Profiles" and Law Business Research's "An International Who's Who of Corporate Tax Lawyers") as one of the leading tax lawyers in Singapore. Drew & Napier LLC was also voted the Best Tax & Trust Firm in Singapore in 2005 and 2006 by Asian Legal Business.

Ms Stacy Choong

Stacy is an Associate Director of Drew & Napier LLC. She is recommended in The Practical Law Company's Which Lawyer? Yearbook 2006 in the area of Tax practice in Singapore and she is part of Drew & Napier LLC's Tax and Trust team that was voted the Tax and Trust Law Firm of the Year in 2005 and 2006 by Asian Legal Business. She was called to both the Singapore Bar and the New York Bar. Stacy advises on all aspects of Tax Law (i.e. Corporate Tax, Personal Tax, Estate Duty, Property Tax, Goods and Services Tax, and Stamp Duty) including tax-driven structured finance transactions, tax-efficient mergers and acquisitions, tax incentives, tax-efficient investment structures and employment packages and also tax litigation against the Revenue. Stacy is also involved in setting up trusts for local and foreign clients for commercial, private family as well as charitable purposes.

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<p style="text-align: center;">Venue: FTSE Room Capital Tower, Level 9 168 Robinson Road Singapore 068912</p> <p style="text-align: center;">(Registrations will begin at 3.00pm)</p>	<p style="text-align: center;">Fee: S\$ 84.00 (Law Society Members, SCCA Members & employees of Singapore law practices)</p> <p style="text-align: center;">S\$ 105.00 (others) (includes 5% GST, materials & refreshments)</p>
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REGISTRATION FORM

Name (Dr/Mr/Mrs/Miss/Mdm): _____

Name and Address of Law Firm/Law Corporation/Organisation: _____

Date of Admission: _____ Number of years in Practice: _____

AAS No: _____ (Law Society Members) NRIC/Passport No: _____ (Law Society Associate Members & Non Law Society Members)

Position in Law Firm/Law Corporation/Organisation: _____

Tel number: _____ Fax number: _____ Email: _____
(A valid email address is required for confirmation of registration.)

Mode of payment:

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Non-member ☐

Cheque payments should be made payable to **"The Law Society of Singapore"** & arrive at our office
with the completed registration form on or before the closing date, **Wednesday, 24 January 2007:**

The Training & CPD Department
The Law Society of Singapore
39 South Bridge Road (S) 058673

For further enquiries, please contact
The Training & CPD Department at
Tel: (65) 6557 2747 Fax: (65) 6557 2751
E-mail: cpd@lawsoc.org.sg
CPD Portal: www.lawsociety.org.sg/CPD
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REGISTRATION, REFUND & CANCELLATION POLICY

1. Registrations will be confirmed upon receipt of full payment accompanied by a duly completed registration form.
2. The Organisers reserve the right to refuse to register or admit any participant, and to cancel or postpone the course.
3. Substitute delegates are welcomed, subject to the Law Society Training Department being notified at least 2 working days before the course of the details of the substitute delegate
4. The Organisers reserve the right to impose a cancellation fee in the event any registrant wishes to withdraw from the course after the registration closing date.
5. The Organisers will not entertain any request for a refund of fees made later than 24 hours before course commencement. However a confirmed registrant who has paid in full the course fees but does not turn up for the course will be entitled to collect a set of the materials provided.