



## AMENDMENTS TO THE INCOME TAX ACT

At the 11<sup>th</sup> session of the Legislative Council Meeting, held on 9<sup>th</sup> March 2015, YB Pehin Orang Kaya Laila Setia Dato Seri Setia Haji Abd Rahman bin Hj Ibrahim, Minister of Finance II, announced that with the consent of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam, the Government of His Majesty the Sultan and Yang Di-Pertuan has introduced various amendments to the Income Tax Act (Cap 35) with effect from 1st January 2014 which include the following:

### 1. Tax Exemption

As a measure to encourage the development of the local Small Medium Enterprises (SMEs), companies with gross sales or turnover that does not exceed \$1 million are exempted from corporate tax or charged with 0% corporate tax.

### 2. Increase in Capital Allowance Rate for Industrial Building Allowance

As a form of incentive to aid with the expansion of local companies, the rate for claims on Capital Allowances, i.e. the Initial and Annual Allowances under section 13(1) and 13(2)(a) of the Income Tax Act, has also been revised and increased as follows:

Capital Allowance	Existing Rate	Revised Rate
Initial Allowance	20%	40%
Annual Allowance	4%	20%

### 3. Increase of the Capital Allowance for Plant and Machinery in Manufacturing Sector

As another form of incentive, Capital Allowance has been increased from 100% to 150% for assets categorized as Plant and Machinery for companies in the Manufacturing Sector, where certain terms and conditions would apply.

These amendments are to be enforced starting on **1<sup>st</sup> January 2014**, or for the Year of Assessment 2015.



**COLLECTOR OF INCOME TAX**