CHAPTER 4

CHAPTER 4

THE TAX REVENUE STRUCTURE OF NEGARA BRUNEI DARUSSALAM

4.1 Introduction

It can be casually inferred that most Bruneians do not really know of the existence of taxes, let alone the importance of taxes. This proposition stems from the relatively few taxes with very narrow tax base and as a result, very few individuals are affected. The most significant difference between NBD's taxation system and that of other countries is that, the former does not have personal income taxation. Moreover, as we shall see in the proceeding chapter, our tax performances, especially those that should have been high, are in the considerably lower levels.

In this chapter, we shall look at the structure of revenue of NBD, the tax system, the tax structure, and also a brief review on the operation of taxes in NBD within each type of tax. Most of the information here are collected directly from the Royal Custom and Excise Department and the Revenue and International Organization Division home pages and some are collected from the Laws of Brunei (1984 – revised edition). The understanding on the basic operation of tax should make us more appreciative of taxation in NBD and then appreciate our analyses in **Chapter 5**.

4.2 The Revenue Structure

In NBD, as in other countries, the government obtains its revenue from tax and the non-tax sources. Here, the non-tax source are, (i) sale of government services (Class II Revenue), (ii) receipts of government commercial departments (Class III Revenue), and (iii) government property (Class IV Revenue) - these include royalties and equity-income of the government from the oil and gas sector. Taxes on the other hand, are classified as Class I revenue, which includes duties, taxes and licenses. These classifications of revenue plus their respective figures are presented in **Table 4.1**.

4.3 Background of Taxation in NBD

4.3.1 Who Administers and Collects Taxes?

In NBD, the Revenue and International Organization Division handles all matters concerning taxation. It is responsible for all policies and matters pertaining to revenue through taxation and customs duties; relationships with other countries through bilateral agreements or multilateral international organizations as well as other special duties. The revenue division is the largest component of the Revenue and International Organizations Division. The four important functions and responsibilities related to taxation that the division has to performed are:

i. To formulate and plan policies relating to revenue;

Table 4.1:
Government Revenue

		1994	1995	1996	1997	1998	1999	2000	2001
Total		4,318.05	2 450.52	2,860.75	2,482.93	1,915.87	2,536.03	5,083.42	3,236.33
Class I	Duties, Taxes and licenses	1,099.54	1,231.38	1,413.60	1,571.16	970.00	1,343.98	2,422.06	1,794.89
Class II	Receipt for or in aid of specified Government Department	8.46	8.96	10.45	11.39	10.00	10.12	12.22	11.76
Class III	Receipts on account of undertaking of a commercial character Department	258.59	263.68	278.74	303.49	290.99	280.37	630.35	229.45
Class IV	Revenue from Government property	2,951.46	946.50	1,157.96	956.89	644.88	901.56	2,019.79	1,200.23

Source: *Brunei Darussalam Statistical Yearbook, 2000/2001*

ii. To administer the Income Tax Act, the Income Tax (Petroleum) Act, the Stamp Duty Act and to collect taxation revenues;

iii. To coordinate the Customs Act and Custom matters; and

iv. To coordinate and conduct negotiations leading to the signing of Avoidance of Double Taxation Agreements and Bilateral Investment trade and other data and to provide support in the signing of other economic, trade and technical agreements and to coordinate other agreements.

The day-to-day operations of customs are handled by the Royal and Customs Excise Department. However, customs policy relating to exemption of duties, setting up of new tariffs, amendment of old tariffs and relationship with international organization is handled by the Revenue and International Organization Division. The Royal and Customs Excise department has four main functions and responsibilities and these are:

i. To implement collection of the country revenue by levying taxes on certain imported goods;

ii. To enforced customs legislation and regulations;

iii. As a coordinating agency to other department in controlling the prohibited and restricted goods; and

iv. To facilitate industries in order to encourage the flow of business activities and develop the country economy.

4.4 Types of Taxes

In NBD, taxes can be classified into two categories; direct taxes and indirect taxes. This classification is presented in **Table 4.2**.

Table 4.2:
Types of Taxes in NBD

Direct Taxes	Indirect Taxes
(a) Taxes on Income - Corporation income tax	(a) International Trade Taxes - Import Duty - Export Duty
(b) Property Tax - Rents, royalties, premiums, and any other profits arising from properties - Estate Duty	(b) Taxes on Domestic Goods/Services - Excise duty (c) Other Taxes - License - Stamp Duty

4.4.1 Direct Taxes

By international comparison, which is based on Manan's (1996) findings, the share of revenue from income taxation in both industrial and the oil-exporting countries exceeds that in the non-oil developing countries. More specifically, revenue from taxation of income and profits accounts for 40 percent of total revenue in the industrial, 36 percent in the oil exporting, and 24 percent in the developing countries. Based on this, it can be suggested that the revenue system in NBD places a greater degree of reliance on the income taxation relative to the systems of the other countries, as we shall see later on.

4.4.2 Personal Income Tax

Direct taxes include taxes on income and tax on property. In NBD, as pointed earlier, there is no personal income tax. The inexistence of personal income tax makes NBD very different, and fortunate, from other countries. One of the possible reasons for such conspicuous ignorance of personal income taxation – which contributed significantly to total tax revenue in countries (look from government finance statistics yearbook) – may arise from the high revenue generated by the corporation income tax and other non-tax revenue, both generated primarily by oil and gas. The unpopularity of personal income tax may also be interpreted as one of the much anticipated curse of NBD's petroleum's mixed blessings. Since oil and gas sector contributed larger share to the GDP than the non-oil sector and the primary source of revenue until today, as a result, Bruneians who have had no experiences in face-to-face encounter with personal income taxation, may become ardent believer of the inapplicability of this type of tax here. Thus, if this were true, most probably it would be, resuming to personal income taxation or rather, introductory of personal income tax, would become very difficult, if not impossible, and possibly would pose political shock to the country that has not been exposed to 'significant' political quake since the early 1960s, when a rebellion tried to overthrow the sultan. Thus a thorough examination should be performed prior to the engagement of such policy that has a possible built-in political implication. This shall be further discussed in **Chapter 6**.

4.4.1 Corporation Income Tax and Property Tax

For the corporation income tax, there are four types of income that are subjected to taxation, and these are shown in **Table 4.3**.

Table 4.3:
Types of Income Subjected to Taxation[1]

	Types of Income Subjected to Taxation
1	Gains or profits from any trade, business or vocation;
2	Dividends received from companies not previously assessed for tax in NBD;
3	Interest and Discount;
4	Rents, royalties, premiums, and any other profits arising from properties

Source: Revenue and International Organization Division, Ministry of Finance, NBD.

Dividend income will be included in taxable income if it accrues in, derived from, or received in NBD by a corporation. But dividends received from a corporation taxable in NBD are excluded from taxable income. Dividends received in NBD from the United Kingdom or Commonwealth countries are grossed up in the tax computation and credit is claimed against the NBD tax liability for tax suffered either under the double treaty with the United Kingdom or provision for Commonwealth tax relief.

All expenses wholly or exclusively incurred in the production of taxable incomes are allowable as deductions for tax expenses. There are also expenses that are

[1] A more detail description of income subjected to taxation is written in the Laws of Brunei, revised edition, 1984.

not allowed as deductions for tax purposes. These allowable and disallowable deductions are presented in **Table 4.4**.

Table 4.4:
Allowable and Disallowable Deductions

Deductions	Types of Expenses
Allowable Tax Deductions	• Interest on borrowed money used in acquiring income; • Rent on land and buildings used in trade or business; • Costs of repair of premise, plant and machinery; • Bad debts and specific doubtful debts, with any subsequent recovery being treated as income when received; and • Employers' contributions to approved pensions or provident funds.
Disallowed Tax Deductions	• Expenses not wholly or exclusively incurred in acquiring income; • Domestic private expenses; • Any capital withdrawal or any sum use as capital; • Any capital use in improvements apart from replanting or plantations; • Any sum recoverable under an insurance or indemnity contract; • Rent or repair expenses not incurred in the earning of income; • Any income tax paid in NBD or in other countries; and • Payments to any unapproved pension or provident funds. ➢ Donations are not allowable but claimable if they are made to (the) approved institutions.

Source: Revenue and International Organization Division, Ministry of Finance, NBD.

Here, there is no Capital Gains Tax. However, if the Collector of Income Tax can establish that the gains form part of the normal trading activities, they then become taxable as revenue gains. For interest paid to non-resident companies, it is subjected to withholding tax of 20 percent (S.37). Depreciation is not an allowable expenses and is replaced by capital allowances for qualifying capital expenditure. The taxpayer is entitled to claim wear and tear allowances with respective rates. This is shown in **Table 4.5**.

Table 4.5
Capital Allowances

Types Of Capital	Rates of Allowances
Industrial Buildings	An initial allowance of 10 percent of the cost given in the year of expenditure, and an allowance of 2 percent of the qualifying expenditure is provided on a straight-line basis until the total expenditure is written off.
Plant and Machinery	An initial allowance of 20 percent of the cost is given in the year of expenditure together with annual allowances calculated on the reducing value of the assets. The rates prescribed by the Collector of Income Tax range from 3 percent to 25 percent depending on the nature of the asset.
Disposal Of Industrial Buildings, Plant or Machinery	Balancing allowances or charges are made on disposal of the industrial building machinery or plant. These adjustments cover the shortfall or excess of the tax written down value as compared to the sale proceeds.
Unabsorbed Capital Allowance	Unabsorbed capital allowances can be carried forward indefinitely but must be set off against Income from the same trade.

Source: Revenue and International Organization Division, Ministry of Finance, NBD.

Losses incurred by a company can be carried forward for six years for set-off against future income and can be carried back one year provided it is claimed in writing within one year after the year of assessment.

There is tax relief in NBD. Tax relief may be obtained on income arising from commonwealth countries that provide reciprocal relief. And the maximum rate of tax relief cannot exceed one half the NBD's rate. A double taxation agreement exists with the United Kingdom and provides proportionate relief from NBD's income tax upon any part of income, which has been or is liable to be charged with United Kingdom income tax. Tax credits only available for resident companies.

In an effort for encouraging the establishment and development in NBD of industrial and other economic enterprises and to attract local and foreign investors, several tax incentives are provided under the Investment Incentives Act. Tax relief can be granted as such, shown in **Table 4.6**.

Table 4.6
Investment Incentives

Fixed Capital Expenditure	Tax Relief (year)
Less than BND$250,000	2
Exceed BND$250,000 but not exceeding BND$500,000	3
Exceed BND$500,000 but not exceeding BND$1,000,000	4
Exceed BND$1,000,000.	5

Source: Revenue and International Organization Division, Ministry of Finance, NBD.

The corporation income tax shall be paid within two months after the service of the Notice of Assessment (S. 70). Tax should be paid using cash or cheques to the Collector of Income Tax, and all cheques must be crossed and paid to "GOVERNMENT OF BRUNEI DARUSSALAM". If tax is not paid within 2 months, a penalty of 5 percent of the amount of tax shall be imposed (S. 72(a)). The computation of corporation income tax is shown in **Diagram 4.1a)** and **4.1b)** respectively.

The taxation on corporate income is characterized by dual-rate structure. The statutory tax rates are: 55 percent of taxable income for firms operating in the oil sector, and 30 percent of taxable income for other corporate entities. The tax coverage extends to enterprises operating in the retail, the services (construction, insurance and banking), and oil and gas sector.

Diagram 4.1 (a):
Ordinary Profit and Loss Account

DETAILED PROFIT & LOSS ACCOUNT sch A
FOR THE YEAR ENDED 31 MARCH 1998
YEAR OF ASSESSMENT 1999

Sales		50,000,000
Less: Cost of Sales		(39,000,000)
Gross Profit		11,000,000
Add: Other Income		700,000
Less: Overhead Expenses		
Advertising	187,000	
Depreciation	1,592,000	
Donation	3,000	
Management Fee	2,500,000	
Profit on Disposal of Fixed Asset	(20,000)	
Rent Salaries	200,000	
General Expenses	3,000,000	
	1,000,000	8,462,000
Profit for the Year		3,238,000

Diagram 4.1 (b):
Corporation Income Tax Computation

INCOME TAX COMPUTATION Sch B
YEAR OF ASSESSMENT 1999

Profit for the year (Sch A)		3,238,000
Add: Non Deductible Expenses		
Depreciation	1,592,000	
Donation	3,000	
Profit on Disposal of Fixed Asset	(20,000)	1,575,000
Adjusted Profit		4,813,000
Less: Capital Allowance for the Year (Sch C)		
Initial Allowance	172,600	
Annual Allowance	622,700	
Balancing Allowance	200,000	995,300
Chargeable Income		3,817,700
Tax 30%		**1,145,310**

Source: *Revenue and International Organization Division, Ministry of Finance, NBD.*

An important issue in the literature on corporate income tax, made clear by Manan (1995) pertains to the treatment of distributed and undistributed profits (the treatment of dividends and retained earnings) in the tax systems characterized by both individual and corporate income taxes. Tax regimes that neither permit deduction of dividend from corporate income, nor provide exemption of dividends from tax liability under personal income taxation, entail 'double taxation' of distributed profits; this is considered undesirable, on the grounds of both allocative efficiency and equity. Dividends are not tax-deductible under NBD tax laws. That is, dividends and retained earnings are subjected to the same rate of taxation. Consequently, double taxation of corporate earnings does not occur because of the absence of conventional personal or individual income taxation[2].

Estate duty is one kind of tax on property. Estate duty is levied under the Stamp Act, Cap 34, on all 'immovable' property in NBD and 'movable' property wherever situated for persons domiciled in NBD at the time of death. There is a double taxation relief for estate duty paid overseas on assets that are also charged to estate here. Estate duty is not payable in the case of person dying on or after December 15, 1988, on the first BND $2.0 million of the aggregate value of the deceased's interest in a dwelling houses, whether occupied by the deceased or not, and the amount thereof does not form part of the value of the estate charged with estate duty of any deceased person. If the value of the dwelling houses exceeds BND $2.0 million, the estate duty payable on this part of the estate is 3 percent of the excess.

[2] The other way in which double taxation can happen is when income earned in a foreign country may be subjected to tax by both home and foreign governments.

4.4.2 Indirect Taxes

Taxes on Domestic Goods and Services

NBD has 2 types of taxes on domestic goods and services, and these are excise duty and stamp duty. The stamp duty covers the imposition of *ad valorem* duties and the imposition of Fixed Duties. The former includes the imposition of instruments of transfer of property including marketable securities, shares of other companies and of non tangible property, benefits to legal rights and goodwill; instruments creating interests in property, for example Tenancies and Leases; instrument of security for monies including instruments creating contracts for payment or monies (generally described as "bond"); certain capital market instrument, for example, Contract Notes, Share Certificates, etc. The latter includes a number of other legal, commercial, mercantile or capital market instruments, for example, instrument of Articles of Association of a company, Promissory Notes, Policies of Insurance, etc; and a duplicate or a subsidiary or a collateral instrument when it can be shown that the original or principal duly stamped.

In general an application for determining the amount of duty chargeable on any executed instrument can be made to the Collector. For this, the Collector may require that the instruments be furnished together with affidavits or other evidences. Of course, the adjudication of instruments is vital because in a legal hearing, an instrument, which is not duly stamped, is not admissible in court as evidence. The fee payable for adjudication of an instrument is B$25.00.

There are three different time of stamping instruments, depending on how they are executed. For instruments executed in NBD, in general all shall be stamped before being signed or executed. Instruments executed out of NBD, other than bill of exchange and cheque or promissory notes, shall be stamped within 30 days after it has first been received in NBD. Bills, cheques, or notes drawn or made out of NBD and brought into NBD before it is stamped must affix the proper stamping before presenting the same for acceptance or payment or endorses or transfers or otherwise negotiates the same in NBD. Penalty will be imposed for late stamp payment. **Table 4.7** gives the examples of instruments liable to stamp duty.

Table 4.7:
Instruments Liable to Stamp Duty

Instruments	The Rate of Stamp Duty
Mortgage	• Principal (Primary) Security - BND$1.00 for every BND$500.00 • Collateral – One-fifth the duty on principal security
Lease/ Tenancy Agreement	For every BND$250.00 or part there of: • BND$1.00 for a period not exceeding 1 year • BND$2.00 for a period exceeding 1 but not exceeding 5 years • BND$4.00 for a period exceeding 5 years or for any indefinite term
Transfer of Shares	Whether on sale or otherwise, to be computed on the price or value thereof on date of the transfer of such shares. • When the name of the transferee filled in: BND$0.10 for every BND$100.00 or part thereof; • When the name of the transferee is not filled in: BND$0.30 for every BND$100.00 or part thereof.

Source: Revenue and International Organization Division, Ministry of Finance, NBD.

Excise duty is duties under the Excise Act, Cap 37, to be levied on domestic goods. In the case of NBD, excise duties are to be levied on any liquor specified in the second column of the Schedule manufactured in NBD, which shall be taxed at appropriate rate specified in the fourth column on the Schedule. According to the officials in the Royal Custom and Excise Department, excise duties are to be levied to all domestic goods. However, important domestic goods were exempted from excise duties. This is shown in **Table 4.8** below. It was previously thought that excise was abolished in 1992 but it was not. The reason to why there are no more collections made from this type of tax is because production, manufacturing, selling and other related process to make samsu is prohibited in NBD and those who do so will face tough civil action. There is also some confusion in the definition to what should be included in excise duties. This is because some domestic goods are produced and exported to other countries, such as Brutex Sdn. Bhd who exports textiles to United States. That is, it can be considered to be liable for both excise and export duty.

Table 4.8:
The Schedule

Item No.	Type of Liquors	How Charged	Duty
1	Samsu (including medicated samsu)	Per Gallon	BND$ 5.00

Source: Laws of Brunei, 1984

Foreign Trade Taxes

Unlike taxes levied on domestic goods and services, the concept behind foreign trade taxes is much easier to comprehend. This is because export and import are such typical words used almost everyday in the news and presumably, everyone above 18 years of age knows these terms. And then, elementary logic tells us that export duties reflect duties on exported goods and import duties reflect duties on imported goods. Between the two, import duty can be regarded as the most important, because of its conducivity towards domestic economic growth (see **Chapter 2**). Export duty, which is levied on domestic production of goods exported to other countries, generally hampered growth through discouraging exports and this might be the primary reason to why NBD abolished its export duty in 1973. On the other hand, import duties have had numerous changes in their rates, implicating its active role, and therefore, reflecting its importance to NBD. This is evident, as we shall see in **Chapter 5**.

According to the Custom Act, Cap 36, export means to take or cause to be taken out of NBD, by land, sea or air to place any goods in a vessel, conveyance or aircraft for the purpose of such goods being taken out NBD by land sea or air: provided that goods bona fide in transit, including goods which have been shipped, shall not, for the purpose of levy of custom duties, be deemed to be exported unless they are or become uncustomed goods. Important exported goods are exempted. According to the Custom Act, Cap 36, the rate of export duty and the valuation (if any) applicable to any goods shall be –

a) In the case of goods lawfully exported, the rate and valuation in force on the day on which a receipt is issued for the payment of duty; provided that when payment of duty in arrears has been permitted under the provisions of section 73 the rate and valuation shall be the rate and valuation in force on the day on which goods are released by the proper officer of customs, or, as the case may be, by an officer appointed under any law for the time being in force in NBD relating to the collection of export duties on goods exported from NBD;

b) In the case of uncustomed goods, the rate and valuation in force on the day which such goods, if known, or the rate and valuation in force on the day of seizure, whichever is the higher.

On the other hand, import means to bring or cause to be brought into NBD by land, sea or air; provided that goods bona fide in transit, including goods for transshipment, shall not, for the purpose of levy of custom duties, be deemed to be imported unless they are or become uncustomed goods. The imported goods subjected to export duties are shown in **Table 4.9**. According to the Custom Act, Cap 36, the rate of import duty and the valuation (if any) applicable to all goods shall be –

a) In the case of goods lawfully imported –

i. If such goods (other than petroleum in a licensed warehouse) are warehoused the rate and valuation in force on the day on which the removal of the goods is authorized by the proper office of customs;

ii. If such goods consist of petroleum, which is in a licensed warehouse, the rate in force on the day, which such petroleum is removed from such warehouse;

iii. If such goods are imported by post, the rate and valuation in force on the day on which duty is assessed by the proper officer of customs; and

iv. In any other case, the rate and valuation in force on the day on which such goods are released by the proper officer of custom;

b) In the case of uncustomed goods, the rate and valuation in force on the day which such goods, if known, or the rate of valuation in force the day of seizure, whichever is higher.

Other Taxes

The other tax is Licenses. Licenses can be defined as official permits to own, use, or do, something, or carry on trade; permission; excessive liberty of action etc. In NBD, these can include:

i. License for fishing equipments.

ii. License for banks, financial companies, insurance and audits.

iii. Road Tax.

Table 4.9:
Imported Commodities Subjected to Import Taxes

Title	Commodities Information
9	COFFEE, TEA MATE AND SPICES
21	MISCELLANEOUS EDIBLE PREPARATIONS
22	BEVERAGES, SPIRITS AND VINEGAR
24	TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES
27	MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES
33	ESSENTIAL OILS AND RESINOIDS; PERFURMERY, COSMETIC OR TOILET PREPARATIONS
34	SOAP, ORGANIC SURFACE-ACTIVE AGENTS, WASHING PREPARATIONS, LUBRICATING PREPARATIONS; ARTIFICIAL WAXES, PREPARED WAXES, POLISHING OR SCOURING PREPARATIONS, CANDLES AND SIMILAR ARTICLES, MODELING PASTES, 'DENTAK WAXES' AND DENTAL PREPARATIONS WITH A BASIS OF PLASTER
36	EXPLOSIVE, PYROTECHNIC PRODUCTS; MATCHES;PYROPHORIC ALLOYS; CERTAIN COMBUSTIBLE PREPARATIONS
37	PHOTOGRAPHIC OR CINEMAGRAPHIC GOODS
39	PLASTICS AND ARTICLES THEREOF
40	RUBBER AND ARTICLES THEREOF
42	ARTICLES OF LEATHER; SADDLERY AND HARNESS; TRAVEL GOODS, HANDBAGS AND SIMILAR CONTAINERS; ARTICLES OF ANIMAL GUT (OTHER THAN SILKWORM GUT)
43	FURSKINS AND ARTICLES FUR; MANUFACTURES THEREOF
44	WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL
46	MANUFACTURERS OF STRAW, OF ESPARTO OR OF OTHER PLAITING MATERIALS; BASKETWARE AND WICKERWORK
57	CARPETS AND OTHER TEXTILE FLOOR COVERINGS
59	IMPREGNATED, COATED, COVERED OR LAMINATED TEXTILE FABRICS; TEXTILE ARTICLES OF A KIND SUITABLE FOR INDUSTRIAL USE
63	OTHER MADE UP ARTICLES; SETS; WORN CLOTHING AND WORN TEXTILE ARTICLES; RAGS
64	FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES
65	HEADGEAR AND PARTS THEREOF
66	UMBRELLAS, SUN UMBRELLAS, WALKING-STICKS, SEAT-STICKS, WHIPS, RIDDING-CROPS AND PARTS THEREOF
70	GLASS AND GLASSWARE
71	NATURAL OR CULTURED PEARLS, PRECIOUS OR SEMI-PRECIOUS STONES, PRECIOUS METALS, METALS CLAD WITH PRECIOUS METAL AND ARTICLES THEREOF, IMITATION JEWELLERY; COIN
73	ARTICLES OF IRON OR STEEL
84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF
85	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES
87	VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF
90	OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF
91	CLOCKS AND WATCHES AND PARTS THEREOF
92	MUSICAL INSTRUMENTS; PARTS AND ACCESSORIES OF SUCH ARTICLES
94	FURNITURE, BEDDING, MATTRESSES, MATTRESS SUPPORTS, CUSHIONS AND SIMILAR STUFFED FURNISHINGS; LAMPS AND LIGHTING FITTINGS, NOT ELSEWHERE SPECIFIED OR INCLUDED; ILLUMINATED SIGNS, ILLUMINATED NAME-PLATES AND THE LIKE; PREFABRICATED BUILDINGS
95	TOYS, GAMES AND SPORTS REQUISITES; PARTS AND ACCESSORIES THEREOF
96	MISCELLANEOUS MANUFACTURED ARTICLES
98	POSTAL PACKAGES AND SPECIAL TRANSACTION NOT CLASSIFIED ACCORDING TO KIND

Source: Royal Custom and Excise Department, Ministry of Finance, NBD

iv. Driving License.

v. Passengers Boat License.

vi. Fishing Boat License.

vii. License for Leisure Boat.

viii. License for Wet Market and Rent for Stool.

ix. Lesen 'Rampaian'.

x. License for Hawker and Rent for the Space for this Activity.

xi. License for Dogs.

4.4 Concluding Remarks

This chapter shows us the structure of revenue of NBD, the tax system, the tax structure, and also a brief review on the operation of taxes in NBD within each type of tax. The Revenue and International Organizations Division, under the Ministry of Finance, formulate tax system and structure, but day-to-day operations are executed by the Royal Custom and Excise Duty Department. Any changes or amendments would have to go through the Division. The distinctive characteristic of NBD's tax structure is that it does not have personal income taxation. In addition, it seems that NBD has an underdeveloped tax system. This is evident if we would look at the classification of taxation defined by OECD (1976), which is stated in **Chapter 2**. The understanding on all of these elements should make us closer to the situation in NBD and therefore appreciate our analyses performed in **Chapter 5**.