

THE LAW SOCIETY OF SINGAPORE

PRACTICE DIRECTION 3.13.1

[Formerly PDR 2013, para 92]

CAPITAL ALLOWANCES AND DEDUCTIONS ON LAW BOOKS

A. Capital Allowances on Legal Practitioner's Library

[Formerly PDR 1989, chap 7, para 20]

On representations made by the Law Society, members are informed that the Commissioner of Inland Revenue has confirmed that law books of legal practitioners are regarded as 'plant' and capital allowances are claimable on them following *Munby v Furlong* [1977] 2 All ER 953. Such capital allowance can be claimed under section 19 or 19A of the Income Tax Act (Cap 134, 2014 Rev Ed).

With regard to periodicals and journals, the present practice of recognising them as revenue expenditures will continue. Expenditure incurred in purchasing replacement volumes and editions may also be treated as revenue expenditure provided that the replaced volumes and editions have not been granted capital allowances.

B. Deduction from Income Tax on Purchase of Law Books

[Formerly PDR 1989, chap 7, para 21]

It was stated that deduction from income tax was allowed in the case of replacement of law books, but not for the purchase of new law books, under section 14(1)(c) of the Income Tax Act (Cap 134, 2014 Rev Ed) provided that the cost or replacement has not been claimed as capital allowances under sections 19 or 19A.

Date: 1 June 2018

THE COUNCIL OF THE LAW SOCIETY OF SINGAPORE