

25

judgment no. 25, 1975

IN THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL

No.1 of 1974

ON APPEAL
FROM THE FEDERAL COURT OF MALAYSIA HOLDEN AT KUALA LUMPUR
(APPELLATE JURISDICTION)

B E T W E E N :

GERALD PARKES HEYWOOD Appellant

- and -

^{COMPTROLLER}
~~THE DIRECTOR~~-GENERAL OF
INLAND REVENUE Respondent

RECORD OF PROCEEDINGS

UNIVERSITY OF LONDON
INSTITUTE OF ADVANCED
LTC
- 4 JAN 1975
25 BUSH SQUARE
LONDON, W.1.

SLAUGHTER & MAY,
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Solicitors for the Appellant

Solicitors for the Respondent.

(i)

IN THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL

No. 1 of 1974

ON APPEAL
FROM THE FEDERAL COURT OF MALAYSIA AT KUALA LUMPUR
(APPELLATE JURISDICTION)

B E T W E E N :

GERARD PARKES HEYWOOD

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- and -

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INLAND REVENUE

Respondent

RECORD OF PROCEEDINGS

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A.11. The Straits Rubber Co. Ltd. Directors' Report
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IN THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL

No. 1 of 1974

O N A P P E A L

FROM THE FEDERAL COURT OF MALAYSIA HOLDEN AT KUALA LUMPUR
(APPELLATE JURISDICTION)

B E T W E E N :

GERARD PARKES HEYWOOD

Appellant

- and -

^{COMPTROLLER}
~~THE DIRECTOR~~-GENERAL OF
INLAND REVENUE

Respondent

10

RECORD OF PROCEEDINGS

No. 1

CASE STATED BY THE SPECIAL COMMISSIONERS OF
INCOME TAX

In the High
Court of Malaysia
at Kuala Lumpur

IN THE HIGH COURT IN MALAYA AT KUALA LUMPUR
ORIGINATING MOTION NO. 2 of 1972

No. 1

Case stated by
the Special
Commissioners
of Income Tax

Between

Gerard Parkes Heywood

Appellant

10th January
1972.

- and -

20

The Comptroller-General of
Inland Revenue

Respondent

CASE STATED by the Special Commissioners of Income
Tax for the opinion of the High Court pursuant to
paragraph 34 of Schedule 5 to the Income Tax Act 1967.

I N D E X

No.

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1. CASE AND QUESTION

1 - 5

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the hearing before the Special
Commissioners)

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In the High
Court of Malaya
at Kuala Lumpur

No. 1

Case stated by
the Special
Commissioners
of Income Tax

10th January
1972

(continued)

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C A S E

1. The Appellant appealed to us, the Special Commissioners of Income Tax, against the assessments of Income Tax raised by the Comptroller-General of Inland Revenue on the Appellant for the years of assessment 1965, 1966, 1968 and 1969, vide the four notices of additional assessment dated 12th October 1968. 10

2. We heard the Appeal on 15.10.1970, 16.10.1970, 19.10.1970 and 27.11.1970. ANNEXURE A hereto is a list of all the Exhibits produced to us at the hearing, which are now submitted to the High Court herewith. The facts which we found are stated in ANNEXURE B hereto, pursuant to paragraph 37(a) of Schedule 5 to the Income Tax Act, 1967. 20

3. It was contended on behalf of the Appellant as follows :-
 - (i) the Agreement dated 24th April 1951, was the only contractual document between the Appellant and the Straits Rubber Company,
 - (ii) the other documents were merely extensions of the said Agreement to define the periods of employment and periods of leave; 30
 - (iii) the Appellant was a permanent employee of the Company;
 - (iv) the Appellant was under a continuous contract of service with the Company;

(v) the sum of \$32,000/- paid to the Appellant was compensation for loss of office and not a gratuity for services rendered; In the High Court of Malaya at Kuala Lumpur

(vi) in the event the sum of \$32,000/- was not gains or profits from employment (section 4(b)) no gratuity in respect of employment (section 13(1)(a)) of Income Tax, 1967;

No. 1

Case stated by the Special Commissioners of Income Tax

10 (vii) that, in the alternative, the said sum of \$32,000/- is a voluntary payment not paid to the Appellant by virtue of his employment;

10th January 1972

(continued)

(viii) the said sum of \$32,000/- is wholly exempt from income tax by virtue of paragraph 15 of Schedule 6 to the Income Tax Act, 1967;

(ix) that the said sum is not chargeable under any section of the Act of 1967 other than, if chargeable at all, section 13(1)(e).

20 4. It was contended on behalf of the Respondent as follows :-

(a) on contract for a period of four years by Agreement dated 24th April, 1951;

(b) and subsequently on three other separate contracts each of three years duration, commencing 26.2.1956 - 21.2.1959, 21.8.1959 - 28.9.1962, and 27.3.1963 - 27.4.1966 respectively; and

30 (c) finally on contract for two years, by Agreement dated 14.4.1966, from 27.10.1966 - 26.10.1968.

(ii) the contract of service of the Appellant was terminated by three months' notice in writing dated 31st July, 1968, in accordance with the Agreement dated 14.4.1966.

40 (iii) the sum of \$32,000/- accorded ex-gratia to the Appellant, by letter dated 31st July, 1968, was not compensation for loss of office but was a gratuity for services rendered and was a gain or profit from the employment of the Appellant and, therefore, assessable to income

In the High
Court of Malaya
at Kuala Lumpur

tax under the provisions of section 4(b) and
section 13(1)(a) of the Income Tax Act,
1967.

No. 1

Case stated by
the Special
Commissioners
of Income Tax

10th January 1972
(continued)

5. We were referred to the following cases and
authorities :-

1. HENRIKSEN v. GRAFTON HOTEL LIMITED (1942)
2 K.B. 184.
2. Commissioners of Inland Revenue v. Wesleyan
& General Assurance Society, 30 T.C. 11.
3. Halsbury, 3rd edition, Vol. 20, page 13. 10
4. HENRY v. FOSTER, 16 T.C. 605.
5. KANGA in Income Tax, Vol. 1, 6th edition,
page 133.
6. CHIBBETT v. Joseph Robinsons & Sons, 9 T.C.61
7. Comptroller-General of Inland Revenue Malaysia
v. T. (1970), 2 M.L.J. 35.
8. Halsbury, Vol. 20, page 14.
9. DALE v. de SOISSONS, 32 T.C. 118.
10. DUNCAN'S Executives v. FARMER (Surveyor of
Taxes) 1909, 5 T.C. 417. 20
11. BEYNON (H.M. Inspector of Taxes) v. THORPE,
14 T.C. 1.
12. PILCHER v. LOGAN (1914) 15 S.R. (N.S.W.) 24.
13. COMR. for Railways v. AGALLANOS (1954), 55
S.R. (N.S.W.) 342.
14. SCOTT v. RUSSELL (1945) 30 T.C. 375.
15. McCLELLAND v. Northern Ireland General Health
Services Board (1957), 2 All. E.R. 129.
16. Chitty on Contracts, 22nd Edition, Vol. 1,
p. 1147.. 30
17. The Law of Income Tax, by Ratcliffe & McGrath
with J.W.R. Hughes, 1938 Edition, p. 553.

18. The Principles of Income Taxation, by Hannah & A. Farnsworth, p. 271-273.

6. On 25.1.1971 we made a Deciding Order, a copy of which is appended hereto as ANNEXURE C. The grounds of our decision are stated in ANNEXURES D hereto.

10 7. On 9th February, 1971, the Appellant gave us notice of appeal against the said Deciding Order, and made a requisition to us, under paragraph 34 of Schedule 5 to the Income Tax Act 1967, to state a case for opinion of the High Court.

Q U E S T I O N

20 8. The question of law for the opinion of the High Court is whether on the facts which we found there is evidence to support our finding which is stated in paragraph 1 of the said Deciding Order, namely that the sum of \$32,000/- accorded ex gratia to the Appellant, by letter dated 31st July, 1968, was not compensation for loss of employment but gratuity assessable to income tax under sections 4(b) and 13(1)(a) of the Income Tax Act, 1967.

Dated this 10th day of January, 1972.

(Sgd: M.C.Schubert)
M.C. SCHUBERT
Special Commissioner of Income Tax.

(Sgd: Lee Kuan Yew)
LEE KUAN YEW
Special Commissioner of Income Tax.

In the High Court of Malaya at Kuala Lumpur

—————
No. 1

Case stated by the Special Commissioners of Income Tax
10th January 1972
(continued)

Exhibits

Annexure A
List of Exhibits
produced before
the Special
Commissioners
(undated)

EXHIBITSANNEXURE A

LIST OF EXHIBITS PRODUCED AT THE HEARING BEFORE
THE SPECIAL COMMISSIONERS

| <u>Exhibit No.</u> | <u>Particulars</u> | |
|--------------------|--|----|
| A1 | Agreed bundle of documents. | |
| A2 | Circular letter issued by Oriental Estate Agency Group dated 1.12.53. | |
| A3 | Record of Service of Mr. G.P. Heywood | |
| A4 | Overseas Planters Retirement and Life Assurance Scheme (booklet). | 10 |
| A5 | Planters' Terms issued by Sime Oriental Estates Division. | |
| A6 | Letter dated 2.7.64 from Oriental Estates to Appellant. | |
| A7 | Letter dated 31.3.67 from Sime Darby Malaysia Ltd. to Appellant. | |
| A8 | Letter dated 31.7.68 from Sime Darby Malaysia Ltd. to Appellant. | |
| A9 | Letter dated 14.4.66 from Sime Darby Malaysia Ltd. to Appellant. | 20 |
| A10 | The O.E.A. Group Provident Fund Rules. | |
| A11 | The Straits Rubber Co. Ltd. Directors' Report and Statement of Accounts for year ended 31.12.69. | |
| A12 | Affidavit of Mr. K.N. Eales dated 24.11.70. | |
| A13 | Letter dated 7.8.68 from Appellant to Sime Darby Malaysia Ltd. | |
| A14 | Letter dated 20.8.62 from Sime Darby (Malaya) Ltd. to Appellant. | 30 |

ANNEXURE B.FACTS FOUND BY THE SPECIAL COMMISSIONERS

On 24th April, 1951, the Appellant, Gerard Parkes Heywood, entered into a written agreement with the Oriental Estates Agency Limited (Exhibit A1) whereby the parties agreed that the Appellant be engaged by the Company as an Assistant Manager for a term of four years commencing on 26.5.1951.

Exhibits

Annexure B.

Facts found by the
Special
Commissioners
(undated)

- 10 2. On 25.6.1955 the Appellant proceeded on leave for eight months.
3. The Appellant was then re-engaged on contract for a term of three years commencing 26.2.1956 until he proceeded on leave for six months on 21.2.1959.
4. The Appellant was then re-engaged on contract for a further term of three years commencing 21.8.1959 until he proceeded on six months' leave on 28.9.1962.
- 20 5. The Appellant was then re-engaged on contract for a further term of three years commencing 27.3.1963 until he proceeded on six months' leave on 27.4.1966.
6. The Appellant was finally re-engaged on contract for a term of two years commencing 26.10.1966 and expiring on 26.10.1968.
7. By letter dated 31st July, 1968, the Appellant was given three months' notice of termination of his services with the Company, in accordance with his contract of service.
- 30 8. By the same letter the Company accorded to the Appellant a sum of \$32,000 ex gratia "as compensation for loss of employment."
9. The Appellant was not re-engaged due to the reorganisation of the Company's estates.
10. In this particular case two estates, i.e. Gedong Estate and Soon Lee Estate (of which the Appellant was manager) were put under the jurisdiction of one manager.
11. The computation of the payment was based on the years of service and age of an individual employee in every case. (Vide Exhibit A12 - "KN2 32").

Exhibits
Annexure B.
Facts found by the
Special
Commissioners
(undated)

12. The Appellant at the date of termination was 41 years of age and had served the Company for about 17½ years and was paid 100% compensation under the Scheme.

13. The Respondent raised the assessment on the amount of \$32,000 which the Appellant received from the Company and the Appellant appealed to us against the additional assessment of income tax on this amount.

Sgd: M.C. Schubert
(M.C. SCHUBERT)
Special Commissioner of Income Tax.

10

Sgd: Lee Kuan Yew
(LEE KUAN YEW)
Special Commissioner of Income Tax.

Annexure C
Deciding Order
dated 25th
January 1971.

ANNEXURE C

DECIDING ORDER

By the Special Commissioners of Income Tax

1. We, the Special Commissioners of Income Tax, hold that the sum of \$32,000 accorded ex gratia to the Appellant by letter dated 31st July, 1968, was not compensation for loss of employment but gratuity assessable to income tax under sections 4(b) and 13 (1) (a) of the Income Tax Act 1967.

20

2. It is ordered that the assessments of income tax in respect of the Appellant for the years of assessment 1965, 1966, 1968 and 1969, as per notices of additional assessments dated 12th October 1968, shall be and are hereby confirmed.

Dated this 25th day of January, 1971.

30

(Sgd) Wan Hamzah bin H.W.M. Salleh
CHAIRMAN
Special Commissioners of Income Tax.

(Sgd) M.C. Schubert
Special Commissioner of Income Tax

(Sgd) Lee Kuan Yew
Special Commissioner of Income Tax

ANNEXURE DGROUNDS OF DECISION OF THE SPECIAL COMMISSIONERS
OF INCOME TAXExhibits

Annexure D
 Grounds of
 Decision of
 the Special
 Commissioners
 (undated)

1. The Appellant was engaged as an Assistant on contract, in the first instance, for a term of four years.
2. Subsequently the Appellant was re-engaged also on contract for three terms consisting of three years each.
- 10 3. The final contract of service was for a term of two years, commencing on 26.10.1966 and expiring on 26.10.1968.
4. In each case, the contract of service was determinable by three months' notice on either side.
5. The Company, in accordance with the terms of the final contract, gave the Appellant the prescribed notice of termination by letter dated 31st July, 1968.
- 20 6. In the event it is patently obvious that the Company exercised their right under the terms of the contract of service.
7. The evidence before us was that prior to the termination of each contract of service, the Company offered and the Appellant accepted the offer of a fresh term of engagement for a term of years.
8. In every instance, the Appellant was re-engaged after the expiry of his leave under the previous contract.
- 30 9. It is not true to say that the Appellant's employment was terminated because of reorganisation.
10. The true position was that the Appellant was not re-engaged after the expiry of the current contract of service due to the reorganisation of the Company's estates.
11. There was no agreement for the payment of any compensation or gratuity to the Appellant on the determination of his contract of service.

Exhibits
Annexure D
Grounds of
Decision of
the Special
Commissioners
(undated)
(continued)

12. The Company exparte had drawn up a Scheme of "Proposed Compensation" in cases of "Possible Amalgamation."

13. The Company, in the letter of 31st July, 1968 (Exhibit A8) accorded the "sum of ₹32,000/- ex gratia."

14. The Scheme was based, inter alia, on the age of the employee and on the years of service. It is obvious, therefore, that the said payment was a "gain or profit from employment", and not compensation for loss of employment. It was in the nature of gratuity (section 13(1)(a), Income Tax Act, 1967). 10

15. There was no evidence of a "redundancy" in the true sense of the word. In this instance, the Company's so-called "re-organisation" or "amalgamation" was merely a means of cutting down on expenses, allegedly due to the depressed price of rubber (no evidence of this was adduced before us), by having one manager in charge of two estates. 20

16. In a genuine redundancy the principle of "last in, first out," other things being equal, is generally followed. The Appellant alleged that there were no adverse reports against the Appellant. And yet the Appellant was picked for retrenchment.

17. Again, it cannot be said by any stretch of imagination, as alleged, that the Appellant had a clear expectation of continuous employment with the Company until the retirement age of 55, when there was a fresh offer and acceptance of employment from one contract of service to the next. 30

18. The Appellant had no entitlement to employment after 25.10.1968. At most he merely had the prospect of contract of employment to be renewed.

19. The Act provides for exemption from income tax of "compensation for loss of employment", and not of compensation for the loss of the prospect of the renewal of the contract of employment.

20. The words "loss of an employment which need not continue, but which was likely to continue" must be interpreted in the light of the facts in Chibbett's case, which were that the contract of employment provided 40

for continuous employment, the period of which was not fixed. The Federal Court in Knight's Case approved of Rowlatt J's dictum, and in Knight's case the contract of employment also provided for continuous employment. Therefor the dictum does not apply to a case where the contract of employment fixed the period of employment and the prospect was made where the employment ceased according to the period fixed in the contract of employment.

Exhibits
Annexure D
Grounds of
Decision of
the Special
Commissioners
(undated)
(continued)

CONCLUSION

21. For the reasons stated above, we are of the opinion that the Appellant was not a permanent employee of the Company and that the sum of \$32,000 accorded to the Appellant, was, therefore, not compensation for loss of office but a gratuity in respect of services rendered, which is liable to income tax under the provisions of section 13(1)(a) of the Income Tax Act, 1967.

Sgd: M.C. Schubert
Special Commissioner of Income Tax

Sgd: Lee Kuan Yew
Special Commissioner of Income Tax.

No. 2

JUDGMENT OF GILL F.J.

In the High
Court of Malaysia
at Kuala Lumpur

No. 2

Judgment of
Gill F.J.

19th August 1972

This is an appeal by way of case stated from an order of the Special Commissioners of Income Tax confirming the assessment by the Comptroller-General of Inland Revenue (the respondent) to income tax, as a gratuity under Section 13(1)(a) of the Income Tax Act, 1967, the sum of \$32,000/- which was paid to the Appellant ex gratia on the termination of his fifth contract of service with his employers by the giving of a three months' notice as provided under the contract to expire at the end of the period of the contract.

The facts as found by the Special Commissioners, about which there is no dispute, are that the Appellant served his employers under five separate contracts of employment commencing on April 24, 1951

In the High
Court of Malaysia
at Kuala Lumpur

No. 2

Judgment of
Gill F.J.

19th August 1972.

(continued)

February 26, 1956, August 21, 1959, March 27, 1963 and October 26, 1966 respectively. Under each of the contracts the Employer had a right to terminate the appellant's employment at any time during the period of the contract by giving him three calendar months' notice or by paying three calendar months' salary in lieu of notice. Although the appellant was in continuous employment up to October 31, 1968 when he was 41 years of age, which meant that the total period of his employment was 17½ years, he was in fact re-engaged at the commencement of each of his contracts of service.

10

His first contract of service, under a written agreement dated April 24, 1951 between him and the Oriental Estates Agency, London, was for a period of four years at the end of which he was given eight months' leave. His next three contracts were for periods of three years each followed by six months' leave at the end of each period, there being a further written agreement during this period dated March 27, 1962 between him and Sime Darby Holdings Limited. Clause 2 of this letter agreement reads:

20

" The period of service shall be deemed to have begun and shall continue for a period of three years or such other period as shall be agreed with the Agents from the date of last returning to Malaya for service under the terms of the previously existing Agreement with Oriental Estates Agency Limited, London, and thereafter (unless the same shall have been previously determined as hereinafter provided by either party) shall be deemed to be an engagement from year to year determinable at any time by three months' notice on either side and subject to the terms and conditions herein contained".

30

His fifth and final contract of service, which was for two years followed by three months' leave, was due to expire on October 26, 1968.

On July 31, 1968 the appellant received a letter from Sime Darby Malaysia, Berhad which stated, inter alia, as follows :-

40

" It is with regret that we find it necessary as part of the reorganisation of estates to give you three months' notice of the termination of your employment which notice commences on 1st August. You are due for three months' leave on the 26th October when you will have completed a two year tour. If you wish you may proceed on that date or before if it is convenient, or you may serve your notice to the 31st October. In the event that you leave before 31st October you will of course be paid salary, overseas allowance and children's allowance up to and including 31st October. Transport allowance and manager's allowance will cease on the date you leave the estate.

In the High
Court of Malaysia
at Kuala Lumpur

No. 2

Judgment of
Gill F.J.

19th August 1972

(continued)

10

.....

As compensation for loss of employment you have been accorded a sum of \$32,000 ex gratia.

20

The tax complications relating to this ex gratia payment were explained to you this morning. Because of these we will not be able to pay the full amount of compensation immediately but subject to tax clearance in respect of your remuneration for 1968, we hope that it will be possible to pay you up to 50% of the compensation before you depart."

30

As stated by the Special Commissioners, the appellant was not re-engaged due to the reorganisation of the Company's estates whereby their Gedong Estate and Soon Lee Estate were put under the jurisdiction of one manager. Under a scheme of "Proposed Compensation in cases of Possible Amalgamation" which the company had drawn up voluntarily by way of "Rationalisation of Estate Management", he was paid a 100% compensation of \$32,000 by reason of his age and years of service.

40

On those facts of the case, what was contended before the Special Commissioners on behalf of the Appellant was this. The agreement dated April 24, 1951 was the only contractual document between the appellant and his employer Company, the other documents being merely extension of the said agreement to define the periods of employment and periods of leave. As the

In the High
Court of Malaysia
at Kuala Lumpur

No. 2

Judgment of
Gill F.J.

19th August 1972

(continued)

Appellant was under a continuous contract of service with the company, he was a permanent employee of the company. The sum of \$32,000 paid to him was not a gratuity for services rendered but compensation for loss of office which came within the provisions of Section 13 (1)(e) of the Income Tax Act, 1967, so that it was wholly exempt from income tax by virtue of paragraph 15 of Schedule 6 to the said Act. In the alternative, the said sum of \$32,000 was a voluntary payment not paid to the appellant by virtue of his employment, so that it was not a gain or profit from employment under sections 4(b) and 13(1)(a) of the Income Tax Act, 1967.

10

The contentions on behalf of the respondent were that the appellant was employed under five separate contracts for fixed periods, that his final contract of service was terminated by three months' notice in writing dated July 31, 1968 in accordance with the terms of the contract, and that the sum of \$32,000 paid ex gratia to him was not compensation for loss of office but a gratuity for services rendered, so that it was a gain or profit from the appellant's employment and therefore assessable to income tax under the provisions of section 4(b) and section 13(1)(a) of the Income Tax Act, 1967.

20

In the event, the Special Commissioners accepted the contentions of the respondent and reached the conclusion that as the appellant was not a permanent employee of the company the sum of \$32,000/- paid to him was not compensation for loss of office but a gratuity in respect of services rendered and as such liable to income tax under section 13(1)(a) of the Income Tax Act, 1967.

30

It seems clear from what I have said so far that the question of law for the opinion of this Court on the case stated is whether on the facts as found by the Special Commissioners the sum of \$32,000 paid to the appellant should be treated as compensation for loss of office under section 13(1)(e) or as gratuity under section 13(1)(a) of the Income Tax Act, 1967. There is also the added question as to whether the said sum of \$32,000 was a voluntary payment and therefore not a gain or profit from an employment within the meaning of sections 4(b) and

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13(1)(a) of the said Act and as such outside the scope of the Act.

The reasons which the Special Commissioners have set out in their grounds of decision for their conclusion may be summarised as follows. The appellant was engaged in the first instance on contract for a term of 4 years. Subsequently he was re-engaged also on contract for three terms consisting of three years each. His final contract of service was for a term of two years expiring on October 26, 1968. Prior to the expiry of each contract, the company offered and the appellant accepted the offer of a fresh term of engagement for a term of years. In every instance he was re-engaged after the expiry of his leave under the previous contract, and his contract of service was determinable by three months' notice. The company, in accordance with the terms of the final contract of service, gave the appellant the prescribed notice of termination by letter dated July 31, 1968, so that it was patently obvious that the company exercised their rights under the terms of the contract of service. There being no agreement for the payment of any compensation or gratuity to the appellant on the determination of his contract of service, the sum of \$32,000 was paid ex gratia under a scheme drawn up by the Company exparte. The scheme was based, inter alia, on the age of the employee and his years of service. It was therefore obvious that the said payment was a "gain or profit from employment" in the nature of a gratuity, and not compensation for loss of employment. There was no evidence of "redundancy" in the true sense of the word, the company's so-called "reorganisation" or "amalgamation" being merely a means of cutting down on expenses, presumably due to the depressed price of rubber, by having one manager in charge of two estates. In a genuine redundancy the principle of "last in, first out", other things being equal, is generally valid, and yet the appellant was picked out for retrenchment notwithstanding the fact that there were no adverse reports against him. In the circumstances, it could not be said by any stretch of imagination that the appellant had a clear expectation of continued employment in the company until the retiring age of 55, when there was a fresh offer

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and acceptance of employment from one contract of service to the next.

The Special Commissioners go on to state in their grounds that it was not true to say that the appellant's employment was terminated because of reorganisation, the true position being that the appellant was not re-engaged after the expiry of the current contract of service due to the reorganisation of the company's estates. It is said that this finding of the Special Commissioners being in apparent contradiction of their finding of fact that the appellant was not re-engaged due to the reorganisation of the company's estates, the semantic refinement suggested is well beyond the ken and comprehension of the ordinarily informed. I do not think so. The subtle distinction may be said not to have been happily worded, but what the Special Commissioners were saying was that the appellant's employers could not offer him another contract, which they were certainly not obliged to do, because of the reorganisation of their estates. In my judgment nothing turns on this so-called contradiction. 10 20

The Special Commissioners have stated further that the appellant had no entitlement to employment after October 25, 1968, and that at most he merely had a prospect of his contract of employment being renewed. And they point out that the Act provides for exemption from income tax of "compensation for loss of employment", and not of compensation for loss of prospect of renewal of a contract of employment. These observations of the Special Commissioners are criticised on the ground that they contain a casuistry that must be beyond the grasp of the most tutored Jusuit. A short answer to this criticism is that the implication of what the Special Commissioners were saying is clear, namely, that this was not a case of deprivation of continuous employment under a contract of master and servant for a general hiring, a distinction which was brought out in that the Special Commissioners went on to say in the next paragraph of their grounds, to which I shall refer later. 30 40

The main ground of appeal is that as the appellant had a reasonable expectation of continued employment or, in the words of Rowlatt J. in

Chibbett v. Joseph Robinson and Sons⁽¹⁾, his employment was likely to continue, the sum of \$32,000 was paid to him by way of compensation for loss of employment. Reference is also made to what I said in the Federal Court in Comptroller-General of Inland Revenue v. T.⁽²⁾. The arguments in support of this ground are that the appellant had served for a continuous period of 17½ years, that his contracts spoke of "tours of duty", that by clause 14 of the first written contract the appellant was required to be a member of the Provident Fund the rules of which applied only to permanent employees, that clauses 5 and 8 of the second written agreement refer to the "standard terms for Planters in force from time to time" which provided for normal retirement at the age of 55, and that the letter dated March 31, 1967 ("Exhibit A") written by the Company to the appellant on the subject of Malayanisation confirms that "all expatriates will normally retire on reaching the age of 55". Reliance is also placed on the words "completion of each subsequent three years" in clause 8 of the second written agreement, notwithstanding the fact that those words are qualified by the words "should the Planter continue in the service of the Principal".

In my judgment, the fact that certain rules of the Company which were applicable to permanent employees were also made applicable to the appellant cannot alter the fact that each of his "tours of duty" was on a contract of service for a definite time. His having been re-engaged on a fresh contract on the expiry of each of his previous contracts over a period of 17½ years did not make him a permanent employee as in the case of a general hiring for an indefinite time. It was on the basis of the distinction between a contract for a fixed period and a contract of general hiring that the Special Commissioners made their deciding order, as would seem clear from the following passage in their grounds of decision:-

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(continued)

(1) 9 T.C. 48, 61

(2) (1970) 2 M.L.J. 35, 39

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" The words "loss of an employment which need not continue, but which was likely to continue" must be interpreted in the light of the facts in Chibbett's case which were that the contract of employment provided for continuous employment, the period of which was not fixed. The Federal Court in Knight's case approved of Rowlatt J's dictum, and in Knight's case the contract of employment also provided for continuous employment. Therefore the dictum does not apply to a case where the contract of employment fixed the period of employment and the payment was made where the employment ceased according to the period fixed in the contract of employment".

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I am of the opinion that they were right in thus distinguishing this case from Knight's case. It is true that the contract of service in Knight's case was also liable to be terminated at any time by the employers giving three months' notice, but it was none the less a contract of general hiring for an indefinite time so as to be a contract of "continuous employment" as the Special Commissioners have described it, in my opinion quite rightly. And it is, no doubt, true that a general hiring without more is terminable on reasonable notice (see McClelland v. Northern Ireland General Health Services Board (3)). Therein lies the difference between this case and Knight's case. The other difference is that in Knight's case the money was paid under a fresh agreement abrogating the contract of service, whereas in the present case it was money gratuitously granted or paid, whether in one sum or in instalments, which is what a gratuity means (see Holloway v Poplar Corporation (4)). I must therefore reject the argument that the amount paid to the appellant in this case is not chargeable under any section of the 1967 Act other than section 13(1)(e) as compensation for loss of employment.

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A ground of appeal in the alternative is that, as the appellant had no entitlement under any of his contracts of service from time to time to the sum of \$32,000 which was paid to him, it was a payment

(3) (1957) 2 A.E.R. 129

(4) (1940) 1K.B. 173, 178

not made in respect of his employment but a voluntary payment. In other words, it is suggested that it was a gift of a personal nature as in the case of Beynon (H.M. Inspector of Taxes) v. Thorpe(5). I do not think I can accept that suggestion in the light of the clearest possible evidence that the payment in this case was made in reference to and by virtue of the appellant's employment. It is also said that the words "in respect of having or exercising the employment" in section 13(1)(a) of the Income Tax Act, 1967 require the payment to be of a contractual nature, a payment to which the tax payer is legally entitled. But I can find no justification for placing any such construction on these words. It is next pointed out that these words do not have the same meaning as the words "in respect of employment" in section 10(2)(a) of the Income Tax Ordinance, 1947. To my mind there is no difference between a "gratuity in respect of employment" and a "gratuity in respect of having or exercising the employment". The latter phrase, if anything, has a much wider meaning.

It is conceded that there are numerous authorities for the proposition that a voluntary payment to the holder of an office made by virtue of his office or employment is taxable notwithstanding that there may not be any legal obligation to make the payment, but it is argued on the authority of the authority of Duncan's Executors v Farmer(6) that a payment made when the recipient is no longer in office or employment is not a profit of office or employment. I do not see the cogency of that argument in relation to an ex gratia payment made on the termination of a persons employment, as it would be a payment in respect of having or exercising the employment, especially when the payment is related to the total period of his employment.

In the leading case of Hochstrasser v. Mayes(7) Viscount Simonds said:

(5) 14 T.C. 1.

(6) 5 T.C. 417, 422.

(7) (1960) A.C. 376, 387.

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(continued)

" Upjohn J., before whom the matter first came, after a review of the relevant case law, expressed himself thus in a passage which appears to me to sum up the law in a manner which cannot be improved upon. In my judgment, he said, 'the authorities show this, that is is a question to be answered in the light of the particular facts of every case whether or not a particular payment is or is not a profit arising from the employment. Disregarding entirely contracts for full consideration in money or money's worth and personal presents, in my judgment not every payment made to an employee is necessarily made to him as a profit arising from his employment. Indeed, in my judgment, the authorities show that to be a profit arising from the employment the payment must be made in reference to the services the employee renders by virtue of his office, and it must be something in the nature of a reward for services past, present or future.'" In this passage the single word "past" may be open to question, but apart from that it appears to me to be entirely accurate."

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It would seem clear that in the present case the payment to the appellant was made in reference to his services and that it was something in the nature of a reward for his services.

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It is common ground that what has to be ascertained is the true character of the payment of \$32,000 in the light of the facts leading up to such payment. In the words of Viscount Simon in Commissioners of Inland Revenue v. Wesleyan and General Assurance Society(8), the question always is what is the real character of the payment, not what the parties call it. I need hardly add that although the employers chose to call their scheme under which the appellant was paid the sum of \$32,000 a scheme of compensation, it was in reality a scheme for the payment of a gratuity to its staff on the basis of age and years of service. What the appellant had was an ex gratia payment of \$32,000 for

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(8) 30 T.C. 11,25

the services rendered. It was in no way related to the period for which he could have gone on working had he been kept in employment until the retiring age of 55. It is therefore liable to tax as gratuity in respect of having or exercising the employment, under section 13(1)(a) of the Income Tax Act, 1967. That being so, the appeal fails and must be dismissed with costs.

In the High Court of Malaysia at Kuala Lumpur

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Judgment of Gill F.J.

19th August 1972

(continued)

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Sgd: S.S. Gill
JUDGE
FEDERAL COURT

KUALA LUMPUR
19th August 1972.

Enche S. Woodhull for Appellant.
Solicitors: M/s Shearn Delamore & Co.

Enche Mohd. Nizar bin Idris for Respondent
Senior Federal Counsel.

No. 3

ORDER ON JUDGMENT

In the High Court of Malaysia at Kuala Lumpur

No. 3

Order on Judgment

19th August 1972

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Before The Honourable
Mr. Justice Tan Sri S.S. Gill,
Federal Judge.

In Open Court
This 19th day of August 1972

O R D E R

WHEREAS pursuant to paragraph 34 of Schedule 5 of the Income Tax Act, 1967, a case had been stated at the request of the Appellant by the Special Commissioners of Income Tax for the opinion of this Court.

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AND WHEREAS the said case came on for hearing on the 14th day of March 1972.

AND UPON READING the same and UPON HEARING Mr. S. Woodhull of Counsel for the Appellant and

In the High Court of Malaysia at Kuala Lumpur

No. 3

Order on Judgment

19th August 1972

(continued)

Inche Mohd. Nizar b. Idris, Federal Counsel for the Respondent IT WAS ORDERED that this case do stand adjourned for Judgment AND the same coming on for judgment this 19th day of August 1972;

THIS COURT IS OF OPINION that the determination of the said Special Commissioners on Income Tax is correct AND IT IS ORDERED that the Appeal be and is hereby dismissed and the Deciding Order of the Special Commissioners of Income Tax dated the 25th day of January, 1971 be and is hereby confirmed;

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AND IT IS ALSO ORDERED that the costs of the Respondent be taxed by the proper officer of the Court and be paid by the Appellant to the Respondent.

GIVEN under my hand and the SEAL of the Court this 19th day of August 1972.

By the Court,

SENIOR ASSISTANT REGISTRAR
HIGH COURT, KUALA LUMPUR

In the Federal Court of Malaysia at Kuala Lumpur (Appellate Jurisdiction)

No. 4

Notice of Appeal
30th August 1972

No. 4

NOTICE OF APPEAL

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IN THE FEDERAL COURT OF MALAYSIA AT KUALA LUMPUR (APPELLATE JURISDICTION)

FEDERAL COURT CIVIL APPEAL NO; 93 OF 1972 (High Court of States of Malaya, Kuala Lumpur Originating Motion No. 2 of 1972)

BETWEEN:

Gerard Parkes Heywood

Appellant

AND

THE DIRECTOR-GENERAL of
Inland Revenue

Respondent

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(In the Matter of Originating Motion No.2 of 1972)

BETWEEN:

Gerard Parkes Heywood Appellant

AND

The Director-General of
Inland Revenue Respondent

In the Federal
Court of Malaysia
at Kuala Lumpur
(Appellate
Jurisdiction)

No. 4

Notice of Appeal
30th August 1972
(continued)

NOTICE OF APPEAL

10 TAKE NOTICE that Gerard Parkes Heywood
the Appellant being dissatisfied with the decision
of the Honourable Justice Tan Sri S.S. Gill, F.J.
given at Kuala Lumpur on the 19th August, 1972
appeals to the Federal Court of Appeal against the
whole of the said decision.

Dated this 30th day of August 1972.

Sgd: Shearn Delamore & Co.
SOLICITORS FOR THE APPELLANT

To: The Registrar,
Federal Court,
KUALA LUMPUR

20 And To:
The Registrar,
High Court of States of Malaya,
KUALA LUMPUR.

And To:
The Director-General of
Inland Revenue,
MALAYSIA.

The Address for service for the Appellant is
M/s Shearn Delamore & Co. and Drew & Napier,
No. 2 Benteng, Kuala Lumpur.

Exhibits

"J"

Agreement dated
24th April 1951.

EXHIBIT "J"AGREEMENT DATED 24th APRIL 1951.

THIS AGREEMENT is made the twenty fourth day of April 1951 BETWEEN ORIENTAL ESTATES AGENCY LIMITED whose Registered Office is situate at 85 Gracechurch Street in the City of London (hereinafter called "the Agency") of the one part and Gerard Parkes Heywood of 4 Cawley Road, Chichester, Sussex, (hereinafter called "the Employee") of the other part.

WHEREAS

(1) The Agency act as Agents or Secretaries or 10
otherwise on behalf of certain Companies owning rubber
and other estates in Malaya and the Employee is
desirous of undertaking or continuing his service on such
of the Estates of the said Companies or of any other
Company for which the Agency shall for the time
being be the Agents or Secretaries as hereinafter
mention ed.

(2) The Companies hereinbefore referred to are
hereinafter collectively called "the Companies".

NOW IT IS HEREBY AGREED as follows :-

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1. THE Agency engages the Employee for and
the Employee shall undertake service on such of the
Estates of the Companies in Malaya as the Agency or
its Representative in Malaya for the time being shall
from time to time direct for a tour of duty of four
years (determinable as hereinafter provided) from the
date of his landing at such port in the East as is
referred to in the next following clause, the Agency
providing him with a passage to such port.

2. THE Employee shall proceed to such port in 30
the East as may be directed by the Agency or failing
such direction to Penang leaving England on or about
the June 1951 to take up on such of the Estates
of the Companies as aforesaid the duty of Estate
Assistant Manager or shall act in such capacity in
connection with the cultivation and manufacture of
rubber or any other product as the Agency or its said
Representative may from time to time direct. If the
Agency shall require the Employee to proceed to the 40
East by air he shall be insured by the Agency against
death or accident whilst travelling by air in a sum to
be agreed upon between the Agency and the Employee.

3. THE Employee shall do and perform such work and duties as may from time to time be assigned to him by the Agency or such Representative as aforesaid.

Exhibits

"J"

Agreement dated
24th April 1951

(continued)

4. THE Employee shall devote the whole of his time skill and attention to the services of the Companies or one or more of them and shall carry out all instructions given to him by the Agency or such Representative as aforesaid and shall not without the written consent of the Agency or such Representative directly or indirectly acquire or hold any interest in land or be concerned in any business other than that of the Companies or any of them and in the event of his so doing he shall be liable to instant dismissal.

5. THE Employee shall not divulge nor communicate to any person or persons whatsoever any information which he may receive or obtain in relation to the affairs of the Agency or the Companies or any of them.

6. THE Agency shall procure to be paid to the Employee a salary at the following rates \$375 per mensem for the 1st year, \$400 - \$475 - \$525 per mensem for the 2nd, 3rd and 4th years respectively payable monthly in Straits Dollars on the last day of each calendar month. If the Employee shall not have already acquired a working knowledge of the language or languages of the natives upon any Estate upon which the Employee may be employed hereunder any increase in the salary of the Employee after the second year of service hereunder shall be subject to and dependent upon his having acquired such working knowledge prior to the expiration of such two years.

7. THE Companies shall provide the Employee with free quarters and also with such allowances as may from time to time be authorised by the Agency but not with any board.

8. THE Agency or the Companies or any of them may terminate the engagement of the Employee hereunder at any time during the said tour by giving to the Employee three calendar months' previous notice in writing in that behalf or by

Exhibits

"J"

Agreement dated
24th April 1951
(continued)

paying him three calendar months' salary in lieu of notice but in either case the Agency or the Company so terminating the engagement shall (if this Agreement shall have been terminated without neglect default or incapacity on the part of the Employee) provide him with a passage to Europe on condition that he returns within one month after such termination or so soon thereafter as a passage is available unless his return shall be prevented by illness or accident not caused by his own wilful act or default.

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9. IF the Employee shall at any time during the continuance of his engagement hereunder neglect or refuse or by reason of illness or accident arising from or occasioned by his own neglect or misconduct become or be unable properly to perform his duties or be guilty of disobedience insubordination immorality or intemperance or if in the opinion of the Agency or its said Representative (whose decision shall be final and binding) the Employee shall have proved himself incapable of performing any of his duties hereunder or if the Employee shall commit a breach of any of the provisions hereof or shall work against or neglect the interests of the Agency or the Companies or any of them it shall be competent for the Agency or the Companies or its or their Representative to declare the engagement of the Employee at an end and in such case the salary and allowances (if any) shall thenceforth cease and the Employee shall forfeit all right to participate in that portion of the money standing to the credit of his account in the Provident Fund which shall have been contributed by the Companies or any of them and also in all income which shall have accrued on such portion and neither the Agency nor the Companies shall be under any obligation to provide the Employee with a return passage to Europe.

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10. IF the Employee shall at any time be incapacitated by illness or accident arising from his employment (not occasioned by his own neglect or misconduct) from properly performing his duties and shall (if required) furnish the Agency or the Companies' Medical Adviser with evidence satisfactory to him of such illness or accident and the cause thereof then he shall be entitled to receive his full salary for the first month and one half of his full salary for the second month during which such

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incapacity shall continue. And if he shall continue so incapacitated for a longer period than two consecutive months or if he shall be so incapacitated at different times for more than sixty days in any one period of fifty-two consecutive weeks then and in either of such cases the Agency or Companies or any of them shall be entitled forthwith to determine the engagement of the Employee by notice in writing to the Employee in that behalf and the Employee shall not be entitled to claim any compensation from the Agency or the Companies or any of them in respect of such determination provided that should the Companies' Medical Adviser deem it necessary for him to return to Europe then the Agency or the Companies shall provide the Employee with a passage to Europe should he return at such time and in such manner as such Representative may direct and shall pay to him a sum equal to three months' salary in addition to any salary which may be owing to him at the date of such determination.

Exhibits

"J"

Agreement dated
24th April 1951

(continued)

11. THE Employee shall not be entitled to determine this Agreement during the said tour of duty and in the event of his purporting to do so or of his leaving the service of the Companies or any of them during such tour without notice from or without the consent of the Agency or the Companies or any of them or of his being dismissed under the terms of Clause 4 hereof or of his engagement being declared at an end under the terms of Clause 9 hereof he shall be liable forthwith to repay to the Agency the cost of the passage provided pursuant to Clause 1 hereof or of the passage by air provided pursuant to Clause 2 hereof and the expenses of insurance referred to therein, and also the equipment allowance of £100 paid to the employee on engagement.

12. WHEN the Employee shall have served the full term of the said tour of duty the Employee shall be entitled to leave of absence in Europe on full pay for a period calculated at the rate of two months for each complete year of the tour of duty and the Company shall provide him with a passage to Europe. In addition he shall be entitled during such tour to a total of fourteen days' local leave in each year on full pay to be taken at such time or times as shall be directed

Exhibits

"J"

Agreement dated
24th April 1951
(continued)

by the said Representative.

13. IF at the expiration of any leave of absence the Employee shall return to the service of the Companies he shall be deemed to have re-engaged himself to the Agency for a further term of four years and upon and subject to the same terms and conditions as herein provided and this Agreement shall continue in force and take effect accordingly subject only to such variation as to the salary payable during the further term as shall be agreed. 10

14. THE Employee hereby authorises the deduction by the Companies or any of them from his remuneration as herein provided of sums equal to 10 per cent of his salary for the time being exclusive of all allowances and the Companies shall place the sums so deducted to the credit of a Provident Fund and procure to be paid thereout to the Employee the sum or sums provided by the Rules of the Fund for the time being and the Employee agrees to abide by and be bound in all respects by the said 20 Rules.

IN WITNESS whereof Mr. A.P. Hamilton on behalf of the Agency and the said Mr. G.P. Heywood have hereunto set their hands the day and year first above written.

SIGNED by the above named) For and on behalf of
in the presence of:-) ORIENTAL ESTATES AGENCY
LIMITED
Sgd. Sgd.A.P.Hamilton
Director 30

SIGNED by the above named) Sgd. G.P. Heywood
in the presence of:-)
Sgd.

EXHIBIT "R"AGREEMENT DATED 27th MARCH 1962.Exhibits"R"Agreement dated
27th March 1962.

10 AN AGREEMENT made the 27th day of March 1962
Between SIME DARBY HOLDINGS LIMITED as Agents
acting for and on behalf of a principal to be
designated as hereinafter mentioned (hereinafter
called "the Agents") of the one part and GERARD
PARKES HEYWOOD of Bukit Paloh Estate, Paloh,
Johore, (hereinafter called "the Planter") of
the other part.

20 WHEREAS the Agents are managers of and agents for
a number of estates in the Federation of Malaya
and the State of Singapore (hereinafter called
"Malaya") belonging to various companies and
persons and as such have authority to engage
employees for such estates AND WHEREAS the Planter
has expressed his willingness to serve on any of
the estates which are managed by the Agents and
to acknowledge as his employer the owner of the
estate (hereinafter called "the Principal") to
which he may be posted from time to time by the
Agents.

NOW IT IS HEREBY AGREED as follows :-

1. The Agents acting for and on behalf of the
Principal hereby engage and agree to employ the
Planter and the Planter agrees to serve the
Principal upon the terms and conditions hereinafter
appearing.
- 30 2. The period of service shall be deemed to have
begun and shall continue for a period of three
years or such other period as shall be agreed with
the Agents from the date of last returning to
Malaya for service under the terms of the previously
existing Agreement with Oriental Estates Agency
Limited, London, and thereafter (unless the same
shall have been previously determined as
hereinafter provided by either party) shall be
deemed to be an engagement from year to year
determinable at any time by three months' notice
40 on either side and subject to the terms and
conditions herein contained.
3. The Principal shall provide the Planter with
free quarters and will use its best endeavours to

Exhibits

"R"

Agreement dated
27th March 1962
(continued)

provide in addition heavy or permanent furniture therefor of such nature and to such extent as is usually provided for Planters in the service of the Principal but the principal shall not be liable to provide bed and table linen, cutlery, crockery, china and glass and articles of a similar nature.

4. The Planter shall at all times diligently serve and perform the duties assigned to him by the Principal or the Agents on its behalf and shall give 10 the whole of his time and attention to the said service and duties and shall not during the subsistence of this Agreement except with the previous knowledge and consent in writing of the Principal embark or engage or be interested in any other business or employment whatsoever either on his own account or as the agent of any other person or persons whomsoever.

5. The Principal shall pay to the Planter as from 1st July 1961 a salary of \$950/- (Malayan Dollars 20 Nine hundred and fifty only) per month together with such allowances, if any, as may be due to the Planter in accordance with the standard terms in force from time to time for Planters in the service of the Principal and the Planter shall also be eligible, from time to time, for such increments in salary, if any, as are appropriate to his case as provided for in the aforesaid standard terms.

6. The Principal may in addition to the remuneration referred to in Clause 5 hereof pay 30 annually or otherwise to the Planter a further sum in the form of a bonus, commission, or otherwise, but the payment of such sum shall be entirely at the discretion of the Principal.

7. The Planter shall be and remain a member of the "Oriental Estates Agency Group Provident Fund" and shall be bound by the rules for the time being thereof and shall authorise the Agents or Manager of the Estate on which he may be at any time employed 40 to deduct each month a sum equivalent to fifteen percent of his monthly salary and Overseas Allowance (excluding Children's Allowance, if any,) and such sum shall be paid to the said fund to the credit of the Planter and the Principal shall contribute like sum to the said fund to the credit of the Planter.

Exhibits

"R"

Agreement dated
27th March 1962

(continued)

8. On completion of three years' service from the date of the commencement of his duties under this Agreement or the previously existing Agreement with Oriental Estates Agency Limited, London, and on the completion of each subsequent three years should the Planter continue in the service of the Principal the Planter shall be entitled to six months' leave of absence on full pay (that is to say the remuneration drawn by him on and starting from the date of leaving the Estate on which he is serving) and if the Planter sails for Great Britain or other country approved by the Agents, the Principal shall also provide the Planter with the passages due to the Planter in accordance with the standard terms in force from time to time for Planters in the service of the Principal. Failure to leave Malaya on leave of absence and spend the same in Great Britain or other country approved by the Agents shall result in the Planter losing all entitlement to leave of absence, leave pay and passage as aforesaid. On commencement of the said leave of absence (which may extend beyond the actual completion of three years' service or any subsequent term of three years) shall be at such time as the Agents deem suitable and convenient to the Principal provided that such commencement shall not be unreasonably delayed and during any interval between the expiration of the said term of three years and any subsequent term of three years and the date of commencement of such leave of absence, the terms and conditions of this Agreement shall remain in full force and effect and the Principal shall pay to the Planter the same remuneration as he was entitled to receive pursuant to Clause 5 of this Agreement during the third year of such service hereunder or such other remuneration as may be agreed between the Principal and the Planter. In the event of the Planter not completing for any reason whatsoever the full period of three years' service under this Agreement (except at the request of or with the consent of the Principal) the Planter shall not be entitled (save as provided by Clauses 10 and 13 of this Agreement) to any leave of absence or to any leave pay or passage whatever. Each period of three years' service under this clause shall be deemed to begin on the day when the Planter recommences his duties on the Estate of the Principal on which he is required to serve.

Exhibits

"R"

Agreement dated
27th March 1962
(continued)

Provided always that as soon as the Planter has completed 15 years' service (including periods of leave of absence) under this Agreement or any previous Agreement with Oriental Estates Agency Limited, London, the Planter shall be entitled (subject as aforesaid) to the leave of absence and the passages due to the Planter in accordance with the standard terms in force from time to time for Planters in the service of the Principal.

9. During the currency of this Agreement the Principal shall provide such medical, surgical and hospital services as may be necessary on account of illness or accident which is not the result of the Planter's own neglect or misconduct and the Planter agrees to abide by and conform to the rules of the Principal from time to time in force relating to sick leave and medical and other expenses in connection therewith. 10

10. If the Planter shall at any time owing to illness caused neither by his own misconduct nor by his own negligence become unable to perform the duties devolving upon him under this Agreement he shall nevertheless be entitled to his full remuneration during the continuance of such inability if it continues for two months or less but, if it continues for more than two months, then to half remuneration for a further period not exceeding two months and thereafter, if such inability still continues, the Principal shall be at liberty to terminate this Agreement without any notice or compensation whatever to the Planter; but in this last event or in the event of the health of the Planter breaking down earlier so completely that he shall not be likely to recover within four months the Principal shall, provided that the Planter agrees to proceed to Great Britain or other country approved by the Agents and leaves Malaya within fifteen days from the date of the termination of this Agreement or within fifteen days of becoming fit in the opinion of the Principal's Visiting Medical Officer to travel (a) provide the Planter with the passage or passages due to the Planter in accordance with the standard terms in force from time to time for Planters in the service of the Principal to Great Britain or other country approved by the Agents and (b) pay to the Planter in respect of the period which he has served under this Agreement a proportionate part of the leave pay to which he would have been entitled if he had 20 30 40

completed three years' service (or, as the case may be, a shorter period of service) under this Agreement.

Exhibits

"R"

Agreement dated
27th March 1962

(continued)

11. If the Planter shall at any time from illness caused by his own misconduct or negligence become unable to perform the duties devolving upon him under this Agreement the Principal shall be at liberty to suspend payment of all or any part of the remuneration of the Planter during such illness or inability, and if such illness or inability shall continue for two months or more the Principal shall be at liberty to terminate this Agreement without notice. In the event of the termination of this Agreement under this clause the Planter shall not be entitled to any leave of absence or to any leave pay or passage whatever or to the Principal's contributions standing to his credit in the Oriental Estates Agency Group Provident Fund.
12. If at any time during the subsistence of this Agreement the Planter shall commit a breach of this Agreement or be guilty of drunkenness wilful disobedience dishonesty criminal offence or other misconduct prejudicial to the interests of the Principal or prove incapable of performing efficiently the duties assigned to him the Principal shall be at liberty to terminate this Agreement without notice and in that event the Planter shall not be entitled to any leave of absence or to any leave pay or any passage whatever or to the Principal's contribution standing to his credit in the Oriental Estates Agency Group Provident Fund.
13. Either of them the Principal or the Planter may terminate this Agreement at any time by giving to the other three months' notice in writing of such desire to do so and upon the expiration of such notice this Agreement shall terminate. Provided always that either of them the Principal or the Planter may terminate this Agreement at any time on paying to the other in lieu of such notice as aforesaid a sum of money equivalent to the remuneration of the Planter for three months at the rate payable to the Planter under Clause 5 hereof at the time of such termination. But if this Agreement shall be terminated by the Principal pursuant to the power in that behalf contained in this clause then the Principal shall,

Exhibits

"R"

Agreement dated
27th March 1962
(continued)

provided that the Planter agrees to proceed to Great Britain or other country approved by the Agents and leaves Malaya within fifteen days from the date of such termination (a) provide the Planter with the passage or passages due to the Planter in accordance with the standard terms in force from time to time for Planters in the service of the Principal to Great Britain or other country approved by the Agents and (b) pay to the Planter in respect of the period which he has served under this Agreement a proportionate part of the leave pay to which he would have been entitled if he had completed three years' service (or, as the case may be, a shorter period of service) under this Agreement or any subsequent term of three (or less) years. But if this Agreement shall be terminated by the Planter before the completion of three years' service or, as the case may be, a shorter period of service hereunder or the completion of any subsequent term of three (or less) years the Planter shall not be entitled to any leave of absence or to any leave pay or any passage whatever, except that the Principal may contribute such proportion of the cost of a homeward passage where the Planter has completed at least half of the period of service of three years (or less) as is appropriate having regard to the length of service completed in the second half of the period of service.

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14. The Planter shall not either during the continuance of this Agreement or after its termination disclose divulge or impart to any person, other than such as may be authorised by the Principal to receive the same, any information with reference to the Principal's property or the business or affairs of the Principal or any information which he may have relative to the intentions of the Principal with regard to the same. On the termination of this Agreement under any of the provisions hereof the Planter shall faithfully deliver up to the Principal all documents, papers, books and writings entrusted to his care or prepared by him or under his control relating to the business of the Principal.

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15. If at any time during the continuance of this Agreement the Planter shall make or discover any invention, development or improvement whatsoever which shall relate to or concern the methods of producing, processing or manufacturing rubber latex, rubber or oil palms or machinery or apparatus used

or for use in connection therewith the same shall, as between the Principal and the Planter, become the sole property of the Principal and the Planter shall with all convenient speed in writing communicate the same to the Principal or the Agents with full details and particulars thereof and information relating thereto and with all necessary plans and models and the Principal shall be at liberty but under no obligation to apply or have the Planter or any other party apply for letters patent or other similar protection in any part of the world and the Planter shall at the request and cost of the Principal join with and assist the Principal in protecting obtaining and renewing patent or other similar protection for any such invention, development or improvement for the Principal's sole benefit as between the Principal and the Planter and the Planter shall at all times hereafter do and execute at the like request and cost all acts, documents and things which the Principal may reasonably require for vesting in it or as it may direct the sole beneficial right in all such inventions, developments and improvements and shall in the meantime hold the same and all interests therein in trust for the Principal and so that any letters patent or similar protection granted in respect of any such invention, development or improvement shall be taken out in, renewed in or transferred into the sole name of the Principal or as it may direct or jointly in the names of the Principal and any other person, persons, company or body as the Principal shall at its absolute discretion think fit.

16. The Planter shall from time to time and as often as he may be requested in that behalf by the Principal or the Agents transfer his services to any Estate managed by the Agents notwithstanding that such Estate may belong to a different owner. Provided that on each such transfer the Planter shall carry with him all rights as to remuneration and all rights in other respects as if this Agreement had been originally entered into between the Planter and such other owner.

17. WHEREVER in this Agreement any power discretion or authority is conferred on the Principal or its agent or agents the same may

Exhibits

"R"

Agreement dated
27th March 1962

(continued)

Exhibits

"R"

Agreement dated
27th March 1962
(continued)

be exercised by the Agents party to this Agreement or anyone acting on their behalf.

18. IT is hereby agreed that the term "the Principal" wherever herein used shall wherever the context requires or admits mean the owner of the estate on which the Planter is for the time being serving, and that the term "month" means calendar month.

19. THIS Agreement shall be construed and have effect according to the laws for the time being in force in the Federation of Malaya or the State of Singapore where the Planter is for the time being serving under this Agreement. 10

IN WITNESS whereof the parties hereto have hereunto set their hands the day and year first above written.

SIGNED BY TERENCE JOHN QUIRK } For SIME DARBY HOLDINGS
for and on behalf of the } LIMITED
Agents in the presence of: } (Sgd) T. J. QUIRK

(Sgd.)

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SIGNED by the said }
in the presence of: } (Sgd) G.P. Heywood

(Sgd.)



NOTICE OF ADDITIONAL ASSESSMENT, YEAR 1965 DATED 12th OCTOBER 1968

(I.T. 61--Rev. 2/65)

SALINAN PERTAMA ORIGINAL

Exhibits

TANAH MELAYU STATES OF MALAYA
CHUKAI PENDAPATAN/INCOME TAX

PEMBERITAHU PENTAKSIRAN TAMBAHAN
NOTICE OF ADDITIONAL ASSESSMENT
Tahun Taksiran/Year ending 31st December, 1965
Year of Assessment ending 31st December, 1965

"E"
Notice of Additional Assessment - year 1965 dated 12th October 1968

Bilangan Taksiran/
Assessment No.:

SG.063674-08

Enche G.P. Hoynood,
Godong Estate,
Bagan Serai, Perak.

Tarikh/Date 12 hb. Oktober, 1968

Notis: Chukai Pendapatan, 1967, saya telah membuat suatu taksiran tambahan kepada hutang-hutangnya di bawah ini.
Saya di-pinta supaya membayar tambahan chukai pendapatan ini pada tahun berakhir 31hb December, 1965, dalam tempoh satu bulan dari tarikh dikeluarkan pemberitahuan ini dengan pentaksiran tambahan ini, tuannya adalah di bawah ini: ...
TAMBAHAN MASA TIGA PULUH HARI dari tarikh Pemberitahuan ini. Jika bersetuju itu di-beri pun, tambahan chukai tersebut hendaklah juga saya membayar-nya DALAM SATU BILAN DAAI

In pursuance of the Income Tax Ordinance, 1967, I have made an additional assessment on you as detailed below.

Application is hereby made for the payment of the under-mentioned additional income tax for the year ending 31st December, 1965, due WITHIN ONE MONTH OF THE DATE OF SERVICE OF THIS NOTICE.

If you object to this additional assessment, you must give me notice of objection in writing, stating precisely the grounds of your objection, WITHIN THIRTY DAYS from the date of service of this notice of assessment.

You give notice of objection you must, nevertheless, pay the full amount of the additional tax within ONE MONTH OF THE DATE OF SERVICE OF THIS NOTICE.

LIM LEONG SENG
Pegawai Besi/Kasut Dalam Negeri,
M. ...

Pegawai Chukai Pendapatan, Tanah Melayu
Comptroller of Income Tax, States of Malaya

| OFFICIAL CODE | BANYAK-NYA TAKSIRAN/AMOUNT OF ASSESSMENT: | \$ | PENDAPATAN DI-TAKSIRKAN/ASSESSABLE INCOME B/forward | \$ |
|---------------|---|-------|---|---------|
| | 1. Perdagangan, perniagaan dan lain ² /Trade, profession, etc. | | 33735 | |
| | 2. Bahagian pendapatan yang di-dapati dari perkongsian/Share of partnership income | | | |
| | 3. Pekerjaan, penchen dan lain ² /Employment, Pension, etc. | | | |
| 001 | Gaji/Salary | 19050 | | |
| 002 | Bonus dan lain ² /Bonus, etc. | 6905 | | |
| 003 | Rumah/Quarters | 1380 | | |
| 004 | Manfaat di-terima/ Benefits in kind | 6400 | | |
| 011 | 4. Nilai Bersih tahunan atas sebarang tanah atau pambaihan atas tanah/Net Annual Value of residence owned and occupied or of beneficial occupation of residence | | | |
| 012 | 5. Sewa dan pendapatan daripada harta/Rents and income from property | | | |
| 013 | 6. Pembahagian laba, bunga dan lain ² /Dividends, interest, royalties, etc. | | | |
| | Jumlah/Total | 33733 | | |
| | Penolakan bagi pemberian hadiah kepada perbadanan/Deductions for gifts to approved institutions | | | |
| | PENDAPATAN DI-TAKSIRKAN/ASSESSABLE INCOME-C/forward | 33733 | | |
| | | | TUNTUTAN POTONGAN MENGENAI DIRI SENDIRI/PERSONAL RELIEFS: | |
| | | | Sendiri/Personal | 2000 |
| | | | Pendapatan dari tenaga/Earned Income | 1000 |
| | | | Isteri/Wife | 1000 |
| | | | Tenaga dari pencharian isteri/Wife's earnings | |
| | | | Anak/Child or Children | 750 |
| | | | Bayaran Insurance Nyawa/Life Assurance | 3000 |
| | | | Penchen ² dan Provident Fund ² /Provident and Pension Funds | |
| | | | | 7750 |
| | | | PENDAPATAN BERSEH DI-KENAKAN CHUKAI/CHARGEABLE INCOME | 25985 |
| | | | CHUKAI/TAX: | \$ |
| | | | Atas chukai yang pertama/Tax on first \$ | 4450 00 |
| | | | (Lihat Jadual yang di-attakkan/See Table enclosed) | |
| | | | Chukai atas baki/Tax on balance \$ | 294 90 |
| | | | Jumlah/Total \$ | 4744 90 |
| | | | Di-tolak/Less | |
| | | | CHUKAI/TAX | 4744 90 |
| | | | TOLAK: CHUKAI DI-TAKSIR BAGI, LESS: TAX ASSESSED ON | 3104 09 |
| | | | BAYARAN CHUKAI TAMBAHAN/ADDITIONAL TAX PAYABLE | 1640 81 |

**NOTICE OF ADDITIONAL ASSESSMENT - YEAR 1966
DATED 12th OCTOBER 1968**

MALAYSIA

TANAH MELAYU STATES OF MALAYA
CHUKAI PENDAPATAN/INCOME TAX

PEMBERITAHU PENTAKSIRAN TAMBAHAN
NOTICE OF ADDITIONAL ASSESSMENT

Tahun Taksiran 1966 berakhir 31hb Disember, 1966
Year of Assessment 1966 ending 31st December, 1966

(I.T. 61—Rev. 2/65)

SALINAN ORIGINAL

Exhibits

"F"

Notice of
Additional
Assessment -
year 1966
dated 12th
October 1968

Bilangan Taksiran:
Assessment No.:

3G.003674-00

Enche G.P. Heywood,
Gedong Estate,
Bagan Serai, Perak.

Tarikh/Date 12hb. Oktober, 1968

Chukai Pendapatan, 1947, saya telah membuat suatu taksiran...
...saya telah membuat suatu taksiran...
...saya telah membuat suatu taksiran...

In pursuance of the Income Tax Ordinance, 1947, I have made an additional assessment...
...Application is hereby made for the payment of the under-mentioned additional income...
...If you dispute this additional assessment, you must give me notice of objection in...
...If you give notice of objection you must, nevertheless, pay the full amount of the...
...additional tax WITHIN ONE MONTH OF THE DATE OF SERVICE OF THIS NOTICE.

LIM EONG SENG
Pegawai... Dalam Negeri

Pengawal Chukai Pendapatan, Tanah Melayu
Comptroller of Income Tax, States of Malaya

| OFFICIAL CODE | BANYAK-NYA TAKSIRAN/AMOUNT OF ASSESSMENT: | \$ | PENDAPATAN DI-TAKSIRKAN/ASSESSABLE INCOME Biforward | \$ |
|---------------|---|-------|---|---------|
| | 1. Perdagangan, perniagaan dan lain²/Trade, profession, etc. | | TUNTUTAN POTONGAN MENGENAI DIRISENDIRI/PERSONAL RELIEFS: | 37404 |
| | 2. Bahagian pendapatan yang di-dapati dari perkongsian/Share of partnership income | | Sendiri/Personal | 2000 |
| | 3. Pekerjaan, penchen dan lain²/Employment, Pension, etc. | | Pendapatan dari tenaga/Earned Income | 1000 |
| 001 | Gaji/Salary | 22116 | Isteri/Wife | 1000 |
| 002 | Bonos dan lain²/Bonus, etc. | 7508 | Tenaga dari pencharian isteri/Wife's earnings: | |
| 003 | Rumah/Quarters | 1380 | Anak/Child or Children | 1250 |
| 004 | Benefit di-terima/Compensation | 6400 | Payaran Insurance Nyawa/Life Assurance | 3000 |
| 011 | 4. Nilai Bersih tahunan atas sebarang tanah atau pembaikan atas tanah/Net Annual Value of residence owned and occupied or of beneficial occupation of residence | | \$ | 8250 |
| 012 | 5. Sewa dan pendapatan daripada harta/Rents and income from property | | PENDEKATAN BERSEH DI-KENAKAN CHUKAI/CHARGEABLE INCOME | 29154 |
| 013 | 6. Pembahagian laba, bunga dan lain²/Dividends, interest, royalties, etc. | | CHUKAI/TAX: | |
| | Jumlah/Total | 37404 | Atas chukai yang pertama/First tax on first \$ | 4450 00 |
| | Penolakan bagi pemberian khairat kepada perbadanan/Deductions for gifts to approved institutions | | Chukai atas baki/Second tax on balance \$ | 1246 20 |
| | PENDAPATAN DI-TAKSIRKAN/ASSESSABLE INCOME C. forward | 37404 | Jumlah/Total \$ | 5696 20 |
| | | | Di-tolak/Less | |
| | | | CHUKAI/TAX | 5696 20 |
| | | | TOLAK: CHUKAI DI-TAKSIR BAGI/LESS: TAX ASSESSED ON | 3888 50 |
| | | | BAYARAN CHUKAI TAMBAHAN/ADDITIONAL TAX PAYABLE | 1807 70 |

NOTICE OF ADDITIONAL ASSESSMENT - YEAR 1968

DATE 12th OCTOBER 1968

MALAYSIA

CHUKAI PENDAPATAN/INCOME TAX

NOTICE OF ADDITIONAL ASSESSMENT
 Notice of Additional Assessment, 1968

Section 112 of the Income Tax Act, 1957, and of Section 132 of the Income Tax Act, 1967, and of Section 132 of the Income Tax Act, 1967

BORANG

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JA

Exhibits

"G"

Notice of Additional Assessment - year 1968 dated 12th October 1968

Sng Chuan Heng,
 Canton Street,
 Bayan Lepas, Penang.

Taksiran No.:
 Assessment No.: SG.065574-03

Tarikh/Date: 12 hb. October, 1968

Menurut Act Cukai Pendapatan, 1957, dan Act Cukai Pendapatan, 1967, perlembagaan adalah dengan ini di-beri mengenai tambahan kepada jumlah yang dikenakan yang terdapat di atas berikutan pindaan di atas.

In accordance with the Income Tax Act, 1957, and of Section 132 of the Income Tax Act, 1967, notice is hereby given of the additional assessment made for the year of assessment 1968 on the basis of the above.

| Isi-Isi / Description | Chukai Tambahan yang di-Kenakan / Additional Tax Charged | Chukai Tambahan yang kena di-Bayar / Additional Tax Payable |
|---|--|---|
| Pendapatan yang boleh dikenakan / Chargeable Income | \$ 6100 | \$ 1839.70 |
| Keuntungan Timah yang boleh dikenakan / Taxable Tin Profits | | |
| Pendapatan Kemajuan / Development Income | | |

Perubahan adalah demikian di atas bagi pembebasan jumlah yang dikenakan yang terdapat di atas yang mestilah di-bayar di-baham yang di-sajikan di-ni adalah apabila perlembagaan ini di-terbitkan. Jika anda mempunyai sebarang pertanyaan mengenai perkara ini, sila hubungi Pegawai Besar Hasil Dalam Negeri, Malaysia. Cara membayar dan penalti kerana tidak membayar adalah ditunjukkan di atas. Jika anda mengemukakan rayuan, sila buat rayuan tersebut dalam tempoh 30 hari dari tarikh surat ini. Jika anda mengemukakan rayuan, sila buat rayuan tersebut dalam tempoh 30 hari dari tarikh surat ini. Jika anda mengemukakan rayuan, sila buat rayuan tersebut dalam tempoh 30 hari dari tarikh surat ini.

LIM LEONG SENG,
 Pegawai Besar Hasil Dalam Negeri, Malaysia
 Comptroller-General of Internal Revenue, Malaysia

PENGIRAAN YANG TELAH DI-SEMAK MENGENAI PENDAPATAN YANG BOLEH DI-KENAKAN
 CHUKAI YANG DIKENAKAN DAN CHUKAI YANG KENA DI-BAYAR
 REVISED COMPUTATION OF CHARGEABLE INCOME, TAX CHARGED AND TAX PAYABLE

| KODA | PENDAPATAN BERKELAK | MS | KODA | JUMLAH PENDAPATAN di-bawah ka-hadapan | MS |
|------|--|----------|------|---|------------|
| 1 | 1. Perniagaan (termasuk profession, penehtarian dan perdagangan, dkk.) | | 022 | Yukal: Potongan: | 39044 |
| 1 | | | 023 | Dua | |
| 1 | | | 024 | Pendapatan Tenaga | |
| 2 | 2. Bahagian Pendapatan daripada Perkhidmatan | | 025 | laseri | |
| 2 | | | 026 | Pendapatan Tenaga Lucrati | |
| 2 | | | 027 | Anak | 1250 |
| 2 | | | 028 | Insuran Nyawa, Kumpulan Wang, Simpanan dan Pencher | 3000 |
| 001 | 3. Penghasilan: Gaji, Upah, bersen dan gaji shuit | \$ 24800 | 029 | PENDAPATAN YANG BOLEH DI-KENAKAN .. | 30734 |
| 002 | Bayaran, Khasiat dan Bonus .. | 6333 | 030 | KEUNTUNGAN TIMAH YANG BOLEH DI-CHUKAI | |
| 003 | Nilai Tempat Kediaman .. | 1703 | 031 | PENDAPATAN KEMAJUAN | |
| 004 | Compensation | 6400 | 032 | CHUKAI PENDAPATAN: | \$ 4450.00 |
| 005 | 4. Dividen | | 033 | Chukai di atas \$ 25000 yang pertama | 1738.20 |
| 006 | 5. Fardah atau Diskaun | | 034 | Chukai di atas baki \$ 5734 @ 30% | |
| 007 | 6. Swast, Royalti atau Pramlam | | 035 | JUMLAH CHUKAI PENDAPATAN .. | |
| 008 | 7. Penehtan, Anuiti atau lain Bayaran Berkelala | | 036 | CHUKAI PENDAPATAN TAMBAHAN: | |
| 009 | 8. Pendapatan daripada menduduki dalam Malaysia premis bukan untuk berniaga | | 037 | CHUKAI KEUNTUNGAN TIMAH: | |
| 010 | 9. Lain Pendapatan: | | 038 | 10% daripada \$ Terhad kepada | |
| | (a) | | | % daripada \$ Terhad kepada | |
| | (b) | | | Minima | |
| | Jumlah .. | 39044 | 039 | JUMLAH CHUKAI YANG DI-KENAKAN .. | 6183.2 |
| 011 | Di-tambah: Pendapatan bulat Perbelanjaan Mencheri Galan yang Cagal | | 040 | DI-TAMBAH: | \$ |
| 012 | Di-tolak: Kerugian Perniagaan di-bawah ka-hadapan dan tidak di-benarkan pada pengiraan jumlah pendapatan tahunan yang sudah. (Terhad kepada Pendapatan Berasaskan daripada perniagaan) | | 041 | Chukai yang dahulu-nya di-bayar baka | |
| | PENDAPATAN KUMPUL .. | 39044 | 042 | Penalti dikenakan di-bawah Seksyen 112 (3) dan/atau 113 (2) | |
| 013 | Di-tolak: | | | JUMLAH .. | |
| 014 | (i) Kerugian Perniagaan yang di-laraskan bagi tempoh | | 043 | DI-TOLAK: (Lihat Penyalat yang di-sajikan) | \$ |
| 015 | (ii) Perbelanjaan Mencheri Galan yang Cagal | | 044 | Penghasilan Seksyen 130 | |
| 016 | (iii) Anuiti yang kena di-bayar oleh Pemegang Amanah atau Wasi bagi tahun asas | | 045 | Penghasilan Seksyen 132 | |
| 017 | (iv) Hadiah Wang kepada Kerajaan atau yaysan yang di-luarkan | | 046 | Penghasilan Seksyen 133 | |
| | (v) Bayaran Ugama yang di-wajibkan | | 047 | Tolakan Seksyen 110 | |
| | JUMLAH PENDAPATAN yang akan di-bawa ka-hadapan | 39044 | | JUMLAH CHUKAI YANG KENA DI-BAYAR .. | 6183.2 |
| | | | 048 | Di-tolak Chukai yang kena di-bayar menurut taksiran bertarikh 29.9.1968 | 4298.00 |
| | | | 049 | CHUKAI TAMBAHAN YANG KENA DI-BAYAR .. | 1839.70 |

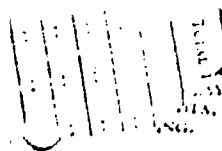
(For English Version See overleaf)

NOTICE OF ADDITIONAL ASSESSMENT - YEAR 1969
DATED 12th OCTOBER 1968

Exhibits

"H"

Notice of Additional Assessment - year 1969 dated 12th October 1968



STAMP
MALAYSIA

MALAYSIA
CIUKAI PENDAPATAN/INCOME TAX

PEMBERITAHU TAKSIRAN TAMBAHAN
NOTICE OF ADDITIONAL ASSESSMENT

Tahun Taksiran/Year of Assessment, 1969
Borang di-tetapkan di bawah Seksyen 152 Act Cukai Pendapatan 1967
Form prescribed under Section 152 of the Income Tax Act, 1967

BORANG

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JA 09

(Dashed circle around the name)
Snohe G.P. Maywood,
Gedong Setato,
Bagan Serai, Perak.

Taksiran No./
Assessment No.:

SG.065674-03

Tarikh/Date

12 hb. Oktober, 1968

Menurut Act Cukai Pendapatan, 1967, dan/atau Act Cukai Pendapatan Tambahan, 1967, pemberitahuan adalah dengan ini diberi mengenai taksiran tambahan yang dibuat bagi tahun taksaan yang tersebut di atas berkenaan dengan tuan

Pursuant to the Income Tax Act, 1967, and/or to the Supplementary Income Tax Act, 1967, notice is hereby given of the additional assessment made for the year of assessment stated above in respect of you

Jumlah pendapatan tambahan yang boleh dikenakan cukai, cukai tambahan yang dikenakan dan cukai tambahan yang kena dibayar bagi tahun taksaan yang tersebut di atas ialah:
The additional amounts chargeable to tax, the additional tax charged and additional tax payable for the year of assessment stated above are:

| Banyaknya Tambahan bagi Additional Amount of | Chukai Tambahan yang di-kenakan Additional Tax Charged | Chukai Tambahan yang kena di-bayar Additional Tax Payable |
|---|--|---|
| Pendapatan yang boleh dikenakan Chargeable Income | \$ 6400 | \$ 1767.50 |
| Keuntungan Timah yang boleh di-chukai Taxable Tin Profit | | |
| Pendapatan Kemajuan Development Income | | |

Pemberitahuan adalah dengan ini dibuat bagi pembayaran cukai tambahan yang kena dibayar yang tersebut di atas ini yang mesti-lah dibayar di-laman yang di-tunjukkan di-muka ini-belah apabila pemberitahuan ini di-sampaikan. Jika tuan-puan tidak terpuas hati dengan taksiran tambahan ini tuan-puan boleh merayu terhadapnya dalam borang yang di-tetapkan dalam had tempoh yang dinyatakan di-muka ini-belah, tetapi dalam bagaimana pun cukai tambahan tersebut yang kena dibayar itu mesti-lah dibayar.
Chara membayar dan penalti kerana tidak membayar cukai dalam tempoh tiga puluh hari selepas pemberitahuan ini di-sampaikan adalah di-lurakan di-muka ini-belah.
Application is hereby made for payment of the additional tax payable stated above which must be paid on the day specified or this notice is shown overleaf. If you are aggrieved by this additional assessment you may appeal against it on the prescribed form within the time limit specified overleaf, but the full additional tax payable must nevertheless be paid.
The method of payment and the penalty for failure to pay the tax within thirty days after the service of this notice are explained overleaf.

LIM LEONG SING,
Pengawal Besar Hasil Dalam Negeri, Malaysia
Comptroller-General of Inland Revenue, Malaysia

PENGIRAAN YANG TELAH DI-SEMAK MENGENAI PENDAPATAN YANG BOLEH DI-KENAKAN
CIUKAI YANG DI-KENAKAN DAN CIUKAI YANG KENA DI-HAYAR
REVISED COMPUTATION OF CHARGEABLE INCOME, TAX CHARGED AND TAX PAYABLE

| KODA | PENDAPATAN BERKANUN | M\$ | KODA | JUMLAH PENDAPATAN di-bawah ka-hadapan | M\$ |
|------|--|-------|------|--|---------|
| 1 | 1. Perniagaan (termasuk profession, pencarian dan perdagangan, dsb.) | | 022 | Tolak: Potongan: | 36800 |
| 1 | | | 023 | Diri | 2000 |
| 2 | 2. Bahagian Pendapatan daripada Perkongsian | | 024 | Pendapatan Tenaga | 1000 |
| 2 | | | 025 | Isteri | 1000 |
| 2 | | | 026 | Pendapatan Tenaga Isteri | |
| 2 | | | 027 | Anak | 1250 |
| 001 | 3. Pengajian Gaji, Upuh, Saraan dan gaji chuti | 28690 | | Insuran Nyawa, Kumpulan Wang Simpanan dan Pencen | 3000 |
| 002 | Bayaran, Khasanah dan Honor | | | PENDAPATAN YANG BOLEH DI-KENAKAN .. | 28550 |
| 003 | Nilai Tempat Kediaman | 1510 | 030 | KEUNTONGAN TIMAH YANG BOLEH DI-CHUKAI | |
| 001 | Compensation | 6400 | 032 | PENDAPATAN KEMAJUAN | |
| 004 | 4. Dividen | | 033 | CIUKAI PENDAPATAN: | |
| 005 | 5. Faedah atau Diskaun | | | Chukai di atas \$ 25000 yang pertama | 4450.00 |
| 006 | 6. Sewa, Royalti atau Premi | | | Chukai di atas baki \$ 3350 @ 30% | 1005.00 |
| 007 | 7. Pencen, Anuiti atau lain Bayaran Herkela | | | JUMLAH CIUKAI PENDAPATAN .. | |
| 008 | 8. Pendapatan daripada menduduki dalam Malaysia peniaga bukan untuk berniaga | | 035 | CIUKAI PENDAPATAN TAMBAHAN: | |
| 009 | 9. Lain Pendapatan: | | | CIUKAI KEUNTONGAN TIMAH: | |
| | (a) | | | 10% daripada \$ Terhadap kepada | |
| | (b) | | 037 | CIUKAI KEMAJUAN: | |
| | Jumlah | 36800 | | 5% daripada \$ Terhadap kepada | |
| | | | | Minima | |
| 011 | Di-tambah: Pendapatan balak Perbelanjaan Mencari Gajian yang Gagal | | | JUMLAH CIUKAI YANG DI-KENAKAN .. | 5455.00 |
| 012 | Di-tolak: Kerugian Perniagaan di-bawah ka-hadapan dan tidak di-benarkan pada pengiraan jumlah pendapatan tahun yang sudah. (Terhad kepada Pendapatan Berkanun daripada perniagaan) | | 034 | DI-TAMBAH: Chukai yang dahulunya di-bayar buak | |
| 013 | Di-tolak: (i) Kerugian Perniagaan yang di-laraskan bagi tempoh asas | | 038 | Penalti di-kenakan di-bawah Seksyen 112 (3) dan/atau 113 (2) | |
| 014 | (ii) Perbelanjaan Mencari Gajian yang Gagal | | | JUMLAH | |
| 015 | (iii) Anuiti yang kena di-bayar oleh Pemegang Amanah atau Wasi bagi tahun asas | | | DI-TOLAK: (Uraian Penyata yang di-kecualikan) | |
| 016 | (iv) Hadiah Wang kepada Kerugian atau yayasan yang di-luluskan | | 041 | Penetapan Seksyen 130 | |
| 017 | (v) Bayaran Agama yang di-wajibkan | | 042 | Penetapan Seksyen 132 | |
| | JUMLAH PENDAPATAN yang akan di-bawah ka-hadapan | 36800 | 043 | Pelepasan Seksyen 133 | |
| | | | 044 | Tolakan Seksyen 110 | |
| | | | | JUMLAH CIUKAI YANG KENA DI-BAYAR .. | 5455.00 |
| | | | 048 | Di-tolak Chukai yang kena di-bayar menurut taksiran bersejarah 1959, 1963 & 1965 | 3637.50 |
| | | | 052 | CIUKAI TAMBAHAN YANG KENA DI-BAYAR .. | 1767.50 |

(For English Version See overleaf)

EXHIBIT "L"ExhibitsLETTER TO APPELLANT DATED 1st DECEMBER 1953"L"

ORIENTAL ESTATES AGENCY GROUP
Bukit Tengah, Province Wellesley

Letter to
Appellant
dated
1st December 1953

P.O. Box No. 2,
Bukit Mertajam.

1st December 1953.

Dear Sir,

Home Leave

10 As you are aware, the normal first tour of service in Malaya is four years. Due to the Emergency, however, the Directors have decided that those Assistants who have served on "dangerous estates" can, if they wish, proceed on leave earlier than under normal circumstances. For this purpose the following estates have been classified as "dangerous":

| | | |
|----|--------------|-------------|
| 20 | Sungei Tawar | Badenoch |
| | Bukit Sidim | Merchiston |
| | Glenshiel | Bukit Paloh |

The scheme is that, should an Assistant complete his first three years of service on a "dangerous estate", he would be entitled to leave at the end of that period. As, however, most Assistants have at some time or another served on both "dangerous" and "safe" estates, it is necessary for us to calculate, according to the periods spent on each type of estate, when they are entitled to leave.

30 Assuming that you continue to serve on a ~~dangerous~~/safe estate, you will be entitled to proceed on home leave in November 1954. You will at that time have served 3 years $4\frac{1}{2}$ months in Malaya and, at the rate of two months leave for each year's service, will be entitled to $6\frac{3}{4}$ months leave. As it is necessary for us to book sea passages a considerable time ahead, we shall be glad if you will advise us whether you wish to take advantage of this concession and proceed on
40 leave at the date referred to in this letter, or if you would prefer to go at a later date. You

Exhibits

"L"

Letter to
Appellant
dated
1st December 1953
(continued)

will appreciate that the date which we have given as your due date for leave is liable to be advanced/~~retarded~~-if you are transferred to a dangerous/~~safe~~ estate.

When an Assistant completes his normal first tour of four years he is entitled to eight months leave paid according to the rate applicable for the fourth year of service in Malaya. He is therefore paid for one year and eight months at that rate. Should you proceed on leave on the date mentioned previously, your second agreement salary will not commence, after your return to Malaya, until such time as you have completed one year and eight months on the fourth year's rate of salary.

10

Yours faithfully,

(Sgd)

Accountant.

FH/AHE

G.P. Heywood Esq.
N. Scotia.

20

"I"

Record of
Service of
Appellant

EXHIBIT "I"

RECORD OF SERVICE OF APPELLANT

Record of Service of Mr. G.P. Heywood:

1. 25/6/1951 - first employed
2. 25/6/1955 - proceeded on 8 months leave
3. 26/2/1956 - returned from leave
4. 21/2/1959 - proceeded on 6 months leave
5. 21/8/1959 - returned from leave
6. 28/9/1962 - proceeded on 6 months leave
7. 27/3/1963 - returned from leave
8. 27/4/1966 - proceeded on 6 months leave
9. 26/10/1966- returned from leave
10. 15/10/1966- services terminated.

30

EXHIBIT "Q"

PLANTERS' TERMS OF SERVICE DATED 1st JULY 1961

SIME ORIENTAL ESTATES DIVISION

Exhibits

"Q"

Planters' Terms
of Service dated
1st July 1961

PLANTERS' TERMS

EFFECTIVE FROM 1st JULY, 1961

SECTION 11

APPLICABLE TO OVERSEAS
STAFF ONLY

ALLOWANCES

- 10 1. The commencing salary of an Assistant on the Overseas Staff who has an acceptable U.K. agricultural qualification may be increased by \$50 per month over the scale rates. This additional \$50 per month will continue for the Assistant's first tour but will not be payable thereafter except in special cases approved by the Agency.
- 20 2. A kit allowance of £100 will be payable to Assistants on recruitment. £50 will be paid in London and £50 in the East.
3. All Managers and Assistants on the Overseas Staff will receive an Overseas Allowance of \$100 per month.
4. In the case of Managers and Assistants on their second and subsequent tours, who are married, the Overseas Allowance will be increased by \$150 per month to \$250 per month.

Exhibits

"Q"

Planters' Terms
of Service dated
1st July 1961

(continued)

5. In addition to the above, the Overseas Allowance will be further increased for married Managers and Assistants with children by \$50 per month for each child under 17 years of age up to a maximum of three children.

6. Overseas Allowance, including the additional amounts payable in respect of wife and children, will be paid during long leave.

7. Provident fund or retirement and life assurance scheme contributions at the rate of 15% for each side will be paid on the Overseas Allowance excluding the additional allowance in respect to children, e.g. provident fund or retirement and life assurance scheme contributions of bachelors will be calculated for the Planter and the Employer at the rate of 15% on salary plus Overseas Allowance of \$100 and in the case of married Planters on salary plus Overseas Allowance of \$250. 10

PASSAGE ALLOWANCES

Planters. 20

1. The following sets out the passage entitlement of Planters on the Overseas Staff:-

Managers on a salary of \$1,600 per month or more, or having 15 years service or more - P. & O. 1st class 'A' or equivalent.

Managers on a salary of less than \$1,600 per month - P. & O. 1st Class 'B' or equivalent. 30

Assistants-Second and subsequent Tours - P. & O. 1st Class 'C' or equivalent.

Assistants - First Tour - P. & O. 1st Class 'E' or equivalent.

2. The passage entitlement is based on return fare rates, (i.e. currently twice the single fare rate less 10%) for direct passages Malaya/U.K. and back by the class of travel shown above.

3. In the case of planters leaving Malaya on retirement, single fare rates will apply for the homeward journey.

10 4. The Planter may select his own means of travel by sea or air (subject to the booking being made through the Agency) but should the cost exceed the entitlement, the excess will be payable by the Planter.

Wives

20 5. The entitlement for wives is the same as for their husbands except that where it is necessary for family reasons for the wife to remain in the U.K. or elsewhere out of Malaya beyond the period for which the reduced rates for return passages apply, passages at single fare rates may be granted.

Children

6. During each three year tour of service the Planter is entitled to a free return passage once for each child, subject to a maximum passage cost equivalent to $1\frac{1}{2}$ adult return passages at the same grade as that to which the Planter himself is entitled.

30 7. The following scale should make this entitlement clear :-

No. of Children

Entitlement

- | | |
|--------------|---|
| 1 | The actual return fare paid not exceeding the equivalent of 1 adult return fare. |
| 2 or more | The actual return fare paid for the children not exceeding the equivalent of $1\frac{1}{2}$ adult return fares. |

Exhibits

"Q"

Planters' Terms
of Service dated
1st July 1961

(continued)

Exhibits

"Q"

Planters" Terms
of Service dated
1st July 1961

(continued)

8. A "Child" is one of less than 17 years of age at the time of the passage, but where a child of over 16 years is being educated whole-time outside Malaya, consideration will be given to the payment of passages in respect of such child subject to the maximum entitlement set out above.

9. Where the Planter works a tour of less than three years, the entitlement for children's passages will be proportionately reduced.

Miscellaneous

10

10. All passages must be booked through the Agency.

11. The entitlements specified above will be applied only to the payment of fares and cannot be drawn in cash nor applied for any purpose not specified in this instruction.

12. Where the fares of the Planter and/or his wife cost less than their entitlement, the difference may be applied towards any cost incurred on passages for children in excess of the children's entitlement.

13. Cost of rail transportation in the United Kingdom or country of domicile from the point of disembarkation to the home town of the Planter or his wife, and to the point of embarkation from the home town, and the cost of overnight hotel accommodation at the point of disembarkation and embarkation will be paid by the employer if the amount of such fares and/or accommodation added to the cost of air/sea fares already incurred will not exceed the amount of the entitlement.

20

14. Actual expenses for the transport of the Planter and his family and luggage from the estate to the port of embarkation plus the cost of one night's stay in an hotel at the port of embarkation, when this is necessary, are recoverable from the estate. Similarly on return to Malaya, transportation expenses from the port of disembarkation to the estate are recoverable from the estate.

30

15. When a Planter is leaving Malaya on retirement at the normal retirement age, any excess baggage costs incurred will be refunded by the employer up to a maximum of \$500.

40

TOURSExhibits

"Q"

Planters' Terms
of Service dated
1st July 1961

(continued)

1. The first tour will be for a period of four years followed by six months leave.
2. Second and subsequent tours will be for three years followed by six months leave.
- 10 3. After 15 years service the Planter may elect either to continue on a three year tour basis followed by six months leave or to have a 2½ year tour followed by five months leave or a two year tour followed by four months leave. Such election is subject to Agency approval having regard to the Staff and leave position at the time.
4. If by virtue of Para. 3 above a tour shorter than three years is selected, any entitlement to children's passages will be reduced proportionately to that of the standard entitlement for a three year tour.
- 20 5. Any election made under Para. 3 above may be changed by the Planter at a later date subject to approval by the Agency.

RETIREMENT AGE

1. The normal retirement date shall be the 55th birthday.
2. With the agreement of the Planter, the normal retirement date may be extended by up to 6 months at the Agents' discretion.
- 30 3. In the case of Planters who were interned by, or P.O.Ws. of the Japanese, the normal retirement date may be extended by up to two years by mutual agreement of the Planter and the Agency, but subject to the right of the Agency to terminate the employment by the usual three months notice.
- 40 4. Where a Planter is due on leave in the twelve months preceding his retirement date, the Agents may grant him extended leave until his retirement date instead of his returning for a tour of on ly a few months duration.

Exhibits

"Q"

Planters' Terms
of Service dated
1st July 1961
(continued)

5. Leave pay will be granted proportionately for that part of the tour worked up to the date of retirement.

"W"

Letter to
Appellant dated
2nd July 1964

EXHIBIT "W"

LETTER TO APPELLANT DATED 2nd JULY, 1964.

G.P. Heywood,
Soon Lee.

200/RSE/EP

2nd July 1964

MANAGEMENT - SOON LEE ESTATE

We are pleased to advise you that it has been decided to confirm your position as Manager of Soon Lee Estate with effect from the 1st of July 1964.

10

The substantive maximum salary for Soon Lee Estate is \$1,500 per month, payable after completion of 15 years Planting Service. In your case you completed 13 years service on 25th June 1964 and your salary with effect from 1st July 1964 will therefore be \$1,400 a month.

(Sgd) R.S. EDWARDS.

EXHIBIT "Z"

Exhibits

LETTER TO APPELLANT DATED 31st MARCH 1967.

"Z"

SIME DARBY MALAYSIA LIMITED
Sime Darby Estates Division.
102/TJQ/CSP

Letter to
Appellant dated
31st March 1967

31st March 1967.

G.P. Heywood, Esq.,
Soon Lee Estate,
Bagan Serai,
PERAK.

PERSONAL & CONFIDENTIAL

10

Dear Heywood,

MALAYANISATION

As a result of discussions between the Standing Committee of Officials and representatives of the overseas sector of the planting industry and of others in the industry employing expatriates, the Government of Malaysia has decided that Malayanisation will be achieved by the method of 'wasting out'.

20

This means that all expatriates will normally retire on reaching the age of 55 and that there will be no further recruitment of expatriates save only in exceptional circumstances e.g. where suitable Malaysians are not yet available to replace specialists such as scientists and other experts.

30

Government has accepted the assurances of the employers that Malayanisation will be carried out in good faith and that 'wasting out' will result in an acceptable rate of Malayanisation in the future. It has been agreed that Government will be kept informed of progress and that the position will be subject to specific review at the end of 1975 and at the end of each period of five years thereafter.

We do not expect that Government's Malayanisation policy for the planting industry will affect the normal prospects of employment in West Malaysia of expatriate employees now

Exhibits

"Z"

Letter to
Appellant dated
31st March 1967
(continued)

employed in the planting industry here until
at least the end of 1975 and probably not until
they reach the normal retirement age of 55 years.

Yours faithfully,

(Sgd) T.J. QUIRK

"BB"

EXHIBIT "BB"

Letter to
Appellant dated
31st July 1968

LETTER TO APPELLANT DATED 31st JULY 1968.

SIME DARBY MALAYSIA BERHAD
SIME DARBY ESTATES DIVISION

200/TJQ/CSP 31 st July 1968.

10

G.P. Heywood Esq.,
SOON LEE ESTATE.

Dear Sir,

YOURSELF

We write to confirm the matters discussed
in this Office this morning.

It is with regret that we find it necessary
as part of the reorganisation of estates to give you
three months' notice of the termination of your
employment which notice commences on 1st August.
You are due for three months' leave on the 26th
October when you will have completed atwo year
tour. If you wish you may proceed on that date
or before if it is convenient, or you may serve
your notice to the 31st October. In the event that
you leave before 31st October you will of course be
paid salary, overseas allowance and children's
allowance up to and including 31st October.
Transport allowance and manager's allowance will
cease on the date you leave the estate.

20

30

In respect of your present tour you will be
entitled to a proportionate bonus up to the date of
your leaving the Estate but the quantum of bonus will

not be known until about August 1969. The bonus for the calendar year 1967 should be known by the end of August but it will be necessary for us to notify the tax authorities of the amount of this bonus before it can be released.

Exhibits

"BB"

Letter to
Appellant dated
31st July 1968

(continued)

10 Should you elect to proceed to the United Kingdom you will be entitled to a passage allowance of up to £235 each for yourself and your wife, children's passages being at actual cost not exceeding 1½ times the adult entitlement. Consideration will be given to meeting the cost of the transport of your baggage to the United Kingdom up to a maximum of \$500.

As compensation for loss of employment you have been accorded a sum of \$32,000 ex gratia .

20 The tax complications relating to this ex gratia payment were explained to you this morning. Because of these we will not be able to pay the full amount of compensation immediately but subject to tax clearance in respect of your remuneration for 1968, we hope that it will be possible to pay you up to 50% of the compensation before you depart.

In regard to OPRALAS we confirm that there is no objection to your writing direct to the Royal Exchange Assurance to ascertain the surrender value of your policies. We enclose a withdrawal form which you should complete and return to us in due course.

30 Yours faithfully,
for SIME DARBY MALAYSIA BHD.

Sgd. T.J. QUIRK
General Manager
Sime Darby Estates Division.

Encl.

Exhibits

"y"

EXHIBIT "Y"

LETTER TO APPELLANT DATED 14th APRIL 1966

Letter to
Appellant dated
14th April 1966

SIME DARBY MALAYSIA LIMITED
Sime Darby Estates Division

260/RSE/ML 14th April 1966.

G.P. Heywood Esq.

Dear Sir,

YOURSELF

You will be proceeding on leave on or about 1st May 1966 and we now write to offer you re-engagement for a further tour of two years followed by three months leave.

10

This offer is subject to the necessary re-entry permit into Malaya being obtained, or renewal of your Employment Pass being approved by the Immigration Authority.

Your commencing basic salary will be \$1,500 per month and the other terms and conditions of your employment will be as laid down in your Service Agreement dated 27th March 1962 and subsequent variations thereof.

20

Whilst it is presently the intention that you should return from leave to Soon Lee Estate, we shall not be able to confirm this until later in the year and you will be advised further during the course of your leave.

If this offer is acceptable to you, please sign and return the attached two copies of this letter.

Yours faithfully,
for SIME DARBY MALAYSIA LIMITED

30

Sgd. R.S. EDWARDS
Sime Darby Estates Division.

I accept the above offer.

.....
(G.P. Heywood)

EXHIBIT "T"

LETTER TO APPELLANT DATED 22nd JANUARY 1963

200/TJQ/YYF

22nd January, 1963.

G.P. Heywood, Esq.,
c/o Mrs. L.M. Heywood,
No.2 Woodbines Avenue,
LONDON

Dear Sir,

YOURSELF

10

We refer to our letter of 20th August confirming your re-appointment, and now write to advise you that on your return from leave you are to report to Soon Lee Estate to take over the acting management from Mr. K. Coutts who will be proceeding on six months leave commencing about 5th April. During your period of acting management, you will receive an acting allowance of \$275 per month.

We trust you are having an enjoyable leave.

20

Yours faithfully,
for SIME DARBY (MALAYA) LIMITED

Sgd. T.J. QUIRK
Sime Oriental Estates Division

EXHIBIT "U"

LETTER TO APPELLANT DATED 12th MARCH 1963

200/TJQ/SM

12th March, 1963

G.P. Heywood Esq.,
c/o Mrs. L.M. Heywood,
No.2, Woodbines Avenue,
Kingston-on-Thames, London.

30

Dear Sir,

YOURSELF

We refer to our letter of 20th August confirming your re-appointment, and now write to advise you that on your return from leave you are

Exhibits

"T"

Letter to
Appellant dated
22nd January
1963

"U"

Letter to
Appellant dated
12th March 1963

Exhibits

"U"

Letter to
Appellant dated
12th March 1963
(continued)

to report to Soon Lee Estate to take over the acting management from Mr. K. Coutts who will be proceeding on six months leave commencing about 5th April. During your period of acting management you will receive an acting allowance of \$275 per month.

We apologise for the late notification of this posting but our earlier letter dated 22nd January has been returned from the United Kingdom, it was insufficiently addressed.

10

Yours faithfully,
for SIME DARBY (MALAYA) LIMITED

Sgd. T.J. QUIRK
Sime Oriental Estates Division

"V"

Letter to
Appellant dated
19th September
1963

EXHIBIT "V"

LETTER TO APPELLANT DATED 19th SEPTEMBER 1963

200/TJQ/ML

19th September, 1963.

G.P. Heywood Esq.,
Soon Lee Estate.

Dear Sir,

YOURSELF

20

You will have received a letter from Mr. Coutts regarding his return from leave.

Mr. Coutts will not, in fact, be returning to Soon Lee Estate but will be taking over the management of Rubana Estate from Mr. Connolly who will be retiring early in November. Mr. Coutts has been advised of this but our letter obviously crossed his.

It is at present the intention that you should continue as Acting Manager on Soon Lee.

30

Yours faithfully,
For SIME DARBY (MALAYA) LIMITED

Sgd. T.J. QUIRK
Sime Oriental Estates Division.

EXHIBIT "X"

LETTER TO APPELLANT DATED 22nd MARCH 1965

200/RSE/ML

The Manager,
SOON LEE

22nd March 1965.

YOURSELF - LONG LEAVE

10 We refer to your verbal enquiry over the weekend regarding your departure date for leave and would advise that, to suit staff dispositions as planned at the moment, you should arrange to depart towards the end of April 1966.

As matters stand at the moment, a departure in early April would, unfortunately, not meet our staff arrangements.

Sgd. R.S. EDWARDS.

Exhibits

"X"

Letter to
Appellant dated
22nd March 1965

Exhibits

"AA"

Scheme for
Compensation
(undated)EXHIBIT "AA"SCHEME FOR COMPENSATION (UNDATED)

| <u>Age</u> | <u>Allow % month Salary/O for each year of service</u> | <u>Service reckoned from 21 years</u> | <u>Compensation in months salary/O Allow</u> |
|------------|--|---|--|
| 28 | 10% | 7 | .7)Minimum |
| 29 | 20% | 8 | 1.6) say 3 |
| 30 | 30% | 9 | 2.7) months |
| 31 | 40% | 10 | 4 |
| 32 | 50% | 11 | 5.5 |
| 33 | 60% | 12 | 7.2 |
| 34 | 70% | 13 | 9.1 |
| 35 | 80% | 14 | 11.2 |
| 36 | 90% | 15 | 13.5 |
| 37 -45 | 100% | 16-24 | 16 - 24 |
| 46 | 90% | 25 | 22.5 |
| 47 | 80% | 26 | 20.8 |
| 48 | 70% | 27 | 18.9 |
| 49 | 60% | 28 | 16.8 |
| 50 | 50% | 29 | 14.5 |
| 51 | 40% | 30 | 12 |
| 52 | 30% | 31 | 9.3 |
| 53 | 20% | 32 | 6.4 |
| 54 | 10% | 33 | 3.3 |
| 55 | Nil | 34 | Nil |

10

20

EXHIBIT "K"

LETTER TO APPELLANT DATED 18th JUNE 1951

18th June, 1951

Exhibits

"K"

Letter to
Appellant dated
18th June 1951

G.P. Heywood, Esq.,
Passenger per s.s. "Corfu",
c/o Messrs. Islay, Kerr & Co., Ltd.,
Penang

Dear Sir,

I am posting you to Badenoch Estate in Kedah.

10 Please arrange to disembark at Penang. You
will be met by a member of the estate staff who will
conduct you to the property, where you should report
to the Manager, Mr. W.J. Smith.

I wish you every success in your planting career.

Yours faithfully,

(Sgd.)

General Manager

DA/AHE

20 (Badenoch Estate,
Telephone Number - Kuala Ketil 210)

c.c. The Manager,
Badenoch Estate,
Kuala Ketil

Exhibits

"S"

EXHIBIT "S"

LETTER TO APPELLANT DATED 20th AUGUST 1962

Letter to
Appellant dated
20th August 1962

SIME DARBY (MALAYA) LIMITED
Sime Oriental Estates Division

200/TJQ/YYF 20th August 1962

G.P. Heywood Esq.,
Tali Ayer Estate,
Parit Buntar,
PERAK.

Dear Sir,

10

YOURSELF

You will be proceeding on leave about 28th
September and we write to offer you re-engagement.

We are prepared to re-engage you for a further
tour of three years at a commencing basic salary of
\$950/-, the other terms and conditions of such tour
would be as laid down in your Service Agreement
dated 27th March 1962.

We are not at the moment in a position to advise
you to which estate you will be posted on your return,
but if you accept this offer of re-engagement, we
hope to be able to do so during the course of your
forthcoming leave. 20

If this offer is acceptable to you, will you
please sign and return one copy of this letter.

Yours faithfully,
for SIME DARBY (MALAYA) LIMITED

Sgd. T.J. QUIRK
Sime Oriental Estates Division

I agree to the above

30

..(Sgd).G.P..Heywood.

No. 5

JUDGMENT OF THE FEDERAL COURT

Coram: Azmi, Lord President, Malaysia;
Suffian, Federal Judge;
H.S. Ong, Federal Judge.

JUDGMENT OF THE COURT
(Read by Suffian, F.J.)

In the Federal
Court of
Malaysia at
Kuala Lumpur
(Appellate
Jurisdiction)

No. 5

Judgment of
the Federal
Court

25th May 1973.

10 An expatriate rubber planter, the appellant-
taxpayer whom we shall refer to hereinafter simply
as the taxpayer, was given three months' notice
of termination of his service with his company.
The letter containing the notice also stated
that by way of compensation for loss of
employment the taxpayer had been accorded a sum
of \$32,000/- ex gratia.

20 He was assessed to income tax by the
Comptroller-General of Inland Revenue (respondent)
on the \$32,000/-. This decision was upheld
by the Special Commissioners, and again by
Gill F.J. sitting in the High Court on a
case stated. The taxpayer has appealed to
this court.

The relevant statutory provisions are
contained in sections 3 (a), 4 (b) and 13 (1)
(a) and (e) of the Income Tax Act, 1967.
These are as follows.

Section 3 (a) provides:

"... Income tax shall be charged ...
in the case of a person ordinarily
resident ... upon his income ..."

30 Section 4 (b) provides:

"... the income upon which tax is
chargeable under this Act is income in
respect of gains or profits from an
employment."

Section 13 (1) provides:

"Gross income of an employee in respect
of gains or profits from an employment
includes :

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(continued)

- (a) any ... gratuity ... in respect of having or exercising the employment;
- (e) any amount received by the employee, whether before or after his employment ceases, by way of compensation for loss of the employment ..."

Thus the primary question is whether the sum of \$32,000/- was a gratuity in respect of having or exercising employment, as the Revenue contends, or compensation for loss of employment, as the taxpayer contends. If the former, it is fully taxable; if the latter, it is also taxable but subject to the limits imposed by paragraph 15(1) (b) of schedule 6 which we are told from the Bar make it wholly exempt in the circumstances of this particular case.

10

The facts found by the Special Commissioners 20 are as follows.

On 24th April, 1951, the appellant taxpayer entered into a written agreement with his employers, the Oriental Estates Agency Ltd., whereby the parties agreed that the taxpayer be engaged by the company as an Assistant Manager for a term of four years commencing on 26th May, 1951.

On 25th June, 1955, the taxpayer proceeded on leave for eight months.

30

The taxpayer was then re-engaged on contract for a term of three years commencing 26th February, 1956, until he went on leave for six months on 21st February, 1959.

The taxpayer was then re-engaged on contract for a further term of three years commencing 21st August, 1959, until he went on six months' leave on 28th September, 1962.

The taxpayer was then re-engaged on contract for a further term of three years commencing 27th March, 1963, until he went on six months' leave on 27th April, 1966.

40

The taxpayer was finally re-engaged on contract for a term of two years commencing on 26th October, 1966, and expiring on 26th October, 1968.

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(continued)

10 By letter dated 31st July, 1968, the taxpayer was given three months' notice terminating his service in accordance with his contract of service. By the same letter the company accorded to the taxpayer a sum of
10 ~~£~~32,000 ex gratia "as compensation for loss of employment", and said that the taxpayer was not being re-engaged owing to reorganisation making it necessary for two estates of the company (of one of which the taxpayer was Manager) to be put under one manager.

That letter was Exhibit A8 at page 117 of the record. Relevant extracts from it read as follows :

20 "It is with regret that we find it necessary as part of the re-organisation of estates to give you three months' notice of the termination of your employment which notice commences on 1st August. You are due for three months' leave on the 26th October when you will have completed a two-year tour. If you wish, you may proceed on that date or before if it is convenient, or you may serve your notice to the 31st October. In the event that
30 you leave before 31st October you will of course be paid salary, overseas allowance and children's allowance up to and including 31st October. Transport allowance and manager's allowance will cease on the date you leave the estate.

.....

As compensation for loss of employment
you have been accorded a sum of ~~£~~32,000/-
ex gratia.

..... "

40 The ex gratia payment of ~~£~~32,000 was under a scheme of "proposed compensation" in case of "possible amalgamations" drawn up by the company

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ex parte. According to that scheme the taxpayer was eligible for 100% compensation because he was aged 41 and had served about 17½ years.

On those facts, what was contended before the Special Commissioners on behalf of the taxpayer was this. The agreement dated 24th April, 1951, was the only contract of service between the taxpayer and his company, the other documents being merely extensions of the said contract to define the periods of employment and periods of leave. As the taxpayer was under a continuous contract of service with the company, he was a permanent employee. The sum of \$32,000/- paid to him was not a gratuity for services rendered but compensation for loss of employment within paragraph (e) of subsection (1) of section 13 of the Income Tax Act, 1967, so that it was taxable subject to the limits imposed by paragraph 15 of Schedule 6 to the Act. In the alternative it was contended by the taxpayer that that sum was a voluntary payment not paid to him by virtue of his employment, so that it was not a gain or profit from employment under sections 4 (b) and 13 (1) (a) of the Act. 10 20

The contentions on behalf of the Revenue were that the taxpayer was employed under five separate documents for fixed periods, that his final contract of service was terminated by three months' notice in accordance with the terms of the contract, that the sum paid ex gratia to him was not compensation for loss of employment but a gratuity in respect of having or exercising employment, so that it was a gain or profit from the taxpayer's employment and therefore assessable to tax under paragraph (a) of subsection (1) of section 13. 30

In the event the Special Commissioners accepted the contentions of the revenue, and held that the sum was not compensation for loss of employment, but a gratuity in respect of having or exercising employment and therefore taxable under paragraph (a) of subsection (1) of section 13. 40

They were of the opinion that there were five separate contracts of service between the taxpayer and his company, the final one being for a term of two years commencing on 26th

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October 1966, which was determinable by three months' notice on either side, that the company gave the taxpayer notice in accordance with that contract, and that the company was exercising its right under the terms of the contract of service. The Special Commissioners said that it was not true that the taxpayer's employment was terminated because of re-organisation, and that the true position was that the taxpayer was not re-engaged after the expiry of the current contract of service, owing to estate re-organisation. They found that there was no agreement for the payment of any compensation or gratuity to the taxpayer on the termination of his contract of service, that the company had exparte drawn up the compensation scheme, that payment under it was a "gain or profit from employment", and not compensation for loss of employment, and that it was in the nature of a gratuity within the meaning of section 13 (1) (a). They found that the taxpayer could not have a clear expectation of continuous employment with the company until the retirement age of 55, that there was a fresh offer and acceptance of employment from one contract of service to the next, that the taxpayer was not entitled to employment after 25th October, 1968, that at most he merely had the prospect of his service contract being renewed, and that the taxpayer's employment was not employment "which was likely to continue" within the meaning of Chibbett's case (1) because if fixed the period of employment and ceased at the end of the period fixed in the service contract. For the above reasons the Special Commissioners decided that the taxpayer was not a permanent employee of the company and that the sum of £32,000/- paid to him was therefore not compensation for loss of office but a gratuity.

The learned judge upheld the decision of the Special Commissioners, and the taxpayer has appealed to this court.

(1) 9 T.C. 61.

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The learned judge held that the taxpayer's contract of service was not a contract of general hiring for an indefinite time, that therefore there was no likelihood of his employment continuing, and that the money paid to the taxpayer was not compensation for loss of employment under section 13 (1) (e).

He further held that the money paid was in reference to and by virtue of the taxpayer's employment, that it was not a voluntary payment, that the payment was something in the nature of a reward for the taxpayer's services, that the scheme of compensation in the event of possible amalgamations devised by the company was in reality a scheme for the payment of a gratuity to its staff on the basis of age and years of service, and that therefore the money paid to the taxpayer was liable to tax as a gratuity in respect of having or exercising employment under section 13 (1) (e).

10

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In determining the question whether the money received by the taxpayer is a gratuity in respect of having or exercising employment or compensation for loss of employment, what his employers call it is not conclusive and regard must be had to its true character, for as was stated by Viscount Simon in Commissioners of Inland Revenue v. Wesleyan and General Assurance Society (2):

30

" ... the question always is:
what is the real character of the
payment, not what the parties call it."

In Comptroller-General of Inland Revenue v. T.(3) Lord Wilberforce giving the advice of the Privy Council said:

" The question, under section 10 (2) (a) of the Income Tax Ordinance, 1947, is whether the money was paid 'in respect

(2) 30 T.C. 11, 25.

(3) (1972) 2 M.L.J. 73, 74.

of the employment'. If the fact is that it was paid in respect of the loss of the employment, it does not come within the taxing words."

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10 Though that was a case under the 1947 Ordinance where a gratuity was taxable if "paid or granted in respect of the employment", in contrast to a gratuity "paid in respect of having or exercising the employment" which is taxable under the 1965 Act, in our judgment the principle laid down by Lord Wilberforce applies to this case, namely, that money or compensation paid in respect of loss of employment is not taxable, as is common ground.

There is no doubt that the taxpayer has received compensation. The only doubt is whether that compensation was for loss of employment.

20 It is conceded on behalf of the taxpayer that his employment was not permanent, but it is submitted that it need not be permanent, and that it is enough if it was likely to continue. Reliance is placed on Chibbett v. Joseph Robinson and Sons(4) where Rowlatt J. said at page 61:

30 " ... compensation for loss of an employment which need not continue, but which was likely to continue, is not an annual profit within the scope of the Income Tax at all."

40 It is submitted that on the evidence the taxpayer's employment was likely to continue until the usual retiring age of 55 for planters employed by the company. His counsel urges that the following be taken into consideration by the court. Though the first service contract (1951) mentioned an initial term of four years, the taxpayer had served continuously for 17½ years on five contracts up to the age of 41. Each of these contracts was terminable at any time by three months' notice. The first contract was for a "tour

(4) 9 T.C. 48

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of duty of four years" after which the taxpayer was entitled to leave in Europe. By clause 4 of that contract the taxpayer was required to be a member of the company's provident fund, the rules of which applied only to permanent employees. A circular letter from the company dated 1st December 1953, referred to his normal first tour of service in Malaya as four years, and thus implied that there would be other tours of service. The service agreement of 27th March, 1962, referred in clause 8 to leave after the contractual period of three years and on the "completion of each subsequent three years". Clauses 5 and 8 of that agreement referred to the "standard term for planters in force from time to time" which provided that the normal retirement date of planters shall be the 55th birthday. The service agreements and the standard terms contemplated succeeding tours of service. The letter of 2nd July, 1964, from the company to the taxpayer referred to substantive salary payable after completion of 15 years as being \$1,500 per month. A letter of the company dated 31st March, 1967, advising the taxpayer in view of the prospective Malayanisation policy, confirmed that "all expatriates /such as the taxpayer/ will normally retire on reaching the age of 55". It further stated -

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20

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" We do not expect that Government's Malayanisation policy for the planting industry will affect the normal prospects of employment in West Malaysia of expatriate employees now employed in the planting industry here until at least the end of 1975 and probably not until they reach the normal retirement age of 55 years. The taxpayer's interests in the company provident fund were transferred to a revised scheme in 1965 and according to the rules of the fund 'retirement age' is defined as 'the age of 55 or such higher age not exceeding 65 as the employer may select in writing the trustees on admission to the scheme."

40

It is submitted that the above conclusively establishes that the taxpayer's employment was

one that was in Rowlatt J.'s phrase "likely to continue" and the taxpayer had every expectation of continuing in employment until retirement age, and that therefore the money paid to the taxpayer was compensation for loss of employment.

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(continued)

10 With respect we do not agree that the test is as laid down by Rowlatt J. With respect we prefer to follow the test laid down by Romer J. in Henry v. Foster(5) where he said when referring to compensation for loss of employment:

" ... as I understand it, it means a payment to the holder of an office as compensation for being deprived of profits to which as between himself and his employer he would, but for an act of deprivation by his employer ..., have been entitled."

20 From this, in our view the test to be applied in the instant case is whether the taxpayer when his service had been terminated was deprived of profits to which he was entitled, and for which deprivation the \$32,000/- represented compensation.

30 With respect we accept the argument of the Revenue. The taxpayer here was under contract to serve until 26th October, 1968. He was given due notice under which his service was to end not earlier than but exactly on 26th October, 1968. In the circumstances we do not think that he has been deprived of anything to which he was entitled, for which deprivation the \$32,000 represented compensation. We would therefore hold that that money was not compensation for loss of employment.

40 We now turn to the alternative argument on behalf of the taxpayer that the money was a voluntary one not made in respect of his employment, and therefore not gains or profits from employment taxable under section 4 (b).

It is conceded on his behalf that a

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(continued)

voluntary payment made to the holder of an office by virtue of his employment is taxable, notwithstanding that there may not be any legal obligation to make the payment, but it is urged that we are not here concerned with payments to the holder of an office, but with payments made to a person who has ceased to hold office. Duncan's case(6) is cited as authority for the proposition that a payment to a former holder of an office because he is no longer in the office is not a profit of the office, and therefore is not taxable.

10

Beynon's case(7) is also relied on, where Rowlatt J. stated at page 14 -

" The payment in that case⁷ is nothing but a gift moved by the remembrance of past services already efficiently remunerated as services in themselves; it is merely a gift moved by that sort of gratitude for that sort of moral obligation if you please, it is merely a gift of that kind. In this case it happens to be very large; in many cases it is very small but in other cases it seems to me whether it is a large gift to a humble servant, they are exactly on the same footing as gifts which are made to a child or gifts which are made to any other person whom the giver thinks he ought to supply with fund for one reason or other ..."

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It is urged that in the absence of any contractual or legal agreement of obligation and in the light of the unexpected termination of the taxpayer's employment, the \$32,000 here was a payment of the kind mentioned by

Comptroller-General of Inland Revenue v. T
(supra)(3) is also relied on. There the

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(6) 5 T.C. 417, 422

(7) 14 T.C. 1.

taxpayer's employment was terminable on three months' notice, his employment was terminated without notice, and it is submitted that that was why the Privy Council held that the payment was not wholly voluntary. In Comptroller-General of Inland Revenue v. T.(3) the Privy Council said -

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10 " Their Lordships revert, finally to the facts of this payment. Although not made directly as consideration for an agreement by the taxpayer that his employment should be abrogated, it would be wrong ... to regard it as a wholly voluntary payment. The company was under a legal obligation to give the taxpayers three months' notice. It was under a moral obligation to treat him fairly, if not generously, after 20 eleven years' employment. In fact it paid him the equivalent of eleven months' salary, it paid his passage home and he made no claim in respect of the failure to give him three months' notice."

30 It is submitted that in this case there was notice given to the taxpayer and that the company having discharged all legal obligations, the payment of \$32,000 to the taxpayer upon the termination of his employment was a voluntary payment outside the scope of the Income Tax Act.

40 With respect we agree with the learned judge that the payment here was a gratuity in respect of having or exercising employment within the meaning of paragraph (a) of subsection (1) of section 13. There is clear evidence that the payment, though not of a contractual nature to which the taxpayer was entitled, was made in reference to and by virtue of his employment, especially when it is remembered that the quantum was related to the total period of his service.

In the leading case of Hochstrasser v. Mayes(8) Viscount Simonds said -

(8) (1960) A.C. 376

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(continued)

" Upjohn J., before whom the matter first came, after a review of the relevant case law, expressed himself thus in a passage which appears to me to sum up the law in a manner which cannot be improved upon. In my judgment, he said, 'the authorities show this, that it is a question to be answered in the light of the particular facts of every case whether or not a particular payment is or is not a profit arising from the employment. Disregarding entirely contracts for full consideration in money or money's worth and personal presents, in my judgment, not every payment made to an employee is necessarily made to him as a profit arising from his employment. Indeed, in my judgment, the authorities show that to be a profit arising from the employment the payment must be made in reference to the services the employee renders by virtue of his office, and it must be something in the nature of a reward for services past, present or future.' In this passage the single word 'past' may be open to question, but apart from that it appears to me to be entirely accurate."

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20

It is clear, as stated by Gill F.J. that in the present case the payment to the taxpayer was made in reference to the services rendered by the taxpayer by virtue of his office, and that it was something in the nature of a reward for his services, that the scheme of compensation drawn up by the company was in reality a scheme for the payment of a gratuity to its staff on the basis of age and years of service and that therefore it is liable to tax as a gratuity in respect of having or exercising his employment within the meaning of paragraph (a) of subsection (1) of section 13.

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We would therefore regretfully dismiss this appeal with costs.

Delivered in Kuala Lumpur on 25th May, 1973.

Sgd. M. SUFFIAN
FEDERAL JUDGE, MALAYSIA.

Notes

(1) Argument in Kuala Lumpur on 21st February, 1973.

(2) Counsel:

For appellant - Mr. S. Woodhull of Shearn, Delamore & Co., Kuala Lumpur.

For respondent - Encik Mohd. Nizar bin Idris, Federal Counsel, Inland Revenue Kuala Lumpur.

10 (3) Authorities cited other than those mentioned in Judgment:

Edwards (1956) A.C. 14, 37 T.C. 207, 229.
Comptroller-General of Inland Revenue
v. T. (1970) 2 M.L.J. 35, 38.

Holloway v. Poplar Corporation (1940)
1 K.B. 173, 178 (on gratuity).

McClelland v. Northern Ireland General
Health Services Board (1957) 2 A.E.R. 129.

20 Tsang Chuen v. Li Po Kwai (1932) A.C.
715, 727.

Evans v. Roe (1872) L.R.C.P. 138 , 141.

No. 6

ORDER ON JUDGMENT

Coram: AZMI, LORD PRESIDENT, MALAYSIA:
SUFFIAN, FEDERAL JUDGE:
H.S. ONG, FEDERAL JUDGE.

IN OPEN COURT

THIS 25th DAY OF MAY, 1973

O R D E R

30 THIS APPEAL coming on for hearing on the
21st day of February, 1973 in the presence of

In the Federal
Court of
Malaysia at
Kuala Lumpur
(Appellate
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No. 6

Order on
Judgment
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In the Federal
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No. 6

Order on
Judgment
25th May 1973
(continued)

Mr. S. Woodhull of Counsel for the Appellant
abovenamed, Encik Mohd. Nizar bin Idris,
Federal Counsel on behalf of the Respondent
abovenamed AND UPON READING the Record of
Appeal herein AND UPON HEARING Counsel as
aforesaid IT WAS ORDERED that this appeal do
stand adjourned for Judgment AND the same coming
on for Judgment this day in the presence of
the Counsel for the Appellant and the Federal
Counsel for the Respondent as aforesaid;

10

IT IS ORDERED that this appeal be and
is hereby dismissed;

AND IT IS ORDERED that the Appellant
do pay to the Respondent the costs of this
appeal as taxed by the proper officer of this
Court.

GIVEN under my hand and the seal of
the Court this 25th day of May, 1973.

Sgd.

Chief Registrar,
Federal Court,
Malaysia.

20

No. 7

Order granting
final leave to
Appeal to His
Majesty the Yang
Dipertuan Agung.
7th January 1974.

No. 7

ORDER GRANTING FINAL LEAVE TO APPEAL TO HIS
MAJESTY THE YANG DIPERTUAN AGUNG.

Coram: AZMI, LORD PRESIDENT, FEDERAL COURT, MALAYSIA
SUFFLAN, CHIEF JUSTICE, HIGH COURT, MALAYA
ONG HOCK SIM, JUDGE, FEDERAL COURT, MALAYSIA

IN OPEN COURT

THIS 7TH DAY OF JANUARY, 1974

30

O R D E R

UPON MOTION made unto Court this day by
Encik S. Woodhull of Counsel for the Appellant
abovenamed in the presence of Encik Mohd. Nizar
bin Idris, Federal Counsel for the Respondent
abovenamed AND UPON READING the Notice of Motion
dated the 14th day of December, 1973 and the

Affidavit of Encik Ronald Khoo Teng Swee affirmed on the 20th day of November, 1973 and filed herein AND UPON HEARING Counsel as aforesaid IT IS ORDERED that final leave be and is hereby granted to the Appellant abovenamed to appeal to His Majesty the Yang Dipertuan Agung from the decision of this Court given on the 25th day of May, 1973.

10 AND IT IS ORDERED that the costs of and incidental to this application be cost in the cause.

GIVEN under my hand and the seal of the Court this 7th day of January, 1974.

CHIEF REGISTRAR,
FEDERAL COURT,
MALAYSIA.

In the Federal
Court of
Malaysia at
Kuala Lumpur
(Appellate
Jurisdiction)

No. 7

Order granting
final leave to
Appeal to His
Majesty the
Yang Dipertuan
Agung.

7th January 1974

(continued)

EXHIBIT "M"

Exhibits

"M"

Letter to
Appellant
dated 21st
January 1956

LETTER TO APPELLANT DATED 21st JANUARY 1956

21st January 1956

G.P. Haywood, Esq.,
Passenger per "Canton",
c/o Messrs. Islay Kerr & Co. Ltd.,
1 Dewaing Street,
Penang

Dear Sir,

I am posting you to Kalumpong Estate and shall 10
be glad if you will proceed there after your arrival
at Penang, reporting to the Acting Manager, Mr. K.
Coatts.

The Estate telephone number is Bagan Serai 241.

Yours faithfully,

(Sgd.)

General Manager.

c.c. Acting Manager,
Kalumpong Estate,
Bagan Serai

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AHB/OTK

EXHIBIT "N"

LETTER TO APPELLANT DATED 26th JUNE 1958

Exhibits

"N"

26th June, 1958.

Letter to
Appellant
dated 26th
June 1958

G.P. Heywood, Esq.,
Nova Scotia Estate,
Teluk Assan

Dear Sir,

Staff Transfers

10 I am posting you to Bukit Paleh Estate to replace
Mr. Cornelius who is shortly proceeding on home leave.
Please arrange to proceed there about the 5th July.
I leave you to make your own arrangements with the
Managers of Nova Scotia and Bukit Paleh Estates
regarding transport, time of departure, etc.

Yours faithfully,

(Sgd.)

General Manager.

ARB/PSK

20 c.c. The Manager,
Nova Scotia Estate,
Teluk Assan.

c.c. The Acting Manager,
Bukit Paleh Estate,
P.O. Box 107,
Paleh, Johore.

EXHIBIT "O"

Exhibits

"O"

LETTER TO APPELLANT DATED 3rd AUGUST 1959

Letter to
Appellant
dated 3rd
August 1959

3rd August, 1959

G.P. Heywood, Esq.,
Passenger per B.O.A.C.
(Flight B.A.710 departs London 19th August 1959)
(Flight E.L.134 arrives Penang 21st August 1959)
c/o The British Overseas Airways Corp.,
Raffles Hotel,
86, Bras Basah Road,
Singapore 7.

10

Dear Sir,

Staff Postings

I am posting you to Soon Lee Estate to take over the management of that property in an "acting" capacity when Mr. Coutts goes on leave on the 7th of September, 1959. A copy of this letter is being sent to Mr. Coutts, who will arrange for transport to meet you at the airport.

20

As this is your first acting appointment, I shall be glad to have a talk with you at this office soon after your arrival.

I wish you every success in your appointment.

Yours faithfully,

(Sgd.)

General Manager

HPC/PSK

c.c. The Acting Manager,
Soon Lee Estate

30

For necessary action please

77.

EXHIBIT "P"

LETTER TO APPELLANT DATED 5th OCTOBER 1960

Exhibits

"P"

757

5th October, 1960

Letter to
Appellant
dated 5th
October 1960

G.P. Heywood, Esq.,
Acting Manager,
Soon Lee Estate,
Bagan Serai,

Dear Sir,

10

Staff Transfers

Mr. Coutts is being posted to Soon Lee Estate to take over from you at the end of October. I shall be transferring you to Bukit Paleh Estate after you have handed over to him.

I leave details of this transfer to be arranged amongst Messrs. Coutts, Thom and yourself.

I take this opportunity of thanking you for the hard and conscientious work that you have put in during your "acting" period at Soon Lee Estate.

20

Yours faithfully,

(Sgd.)

General Manager.

HPC/PSK

c.c. The Manager,
Bukit Paleh
P.O. Box 107,
Paleh, Johore.

c.c. The Manager,
Agar Estate,

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IN THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL

No.1 of 1974

ON APPEAL
FROM THE FEDERAL COURT OF MALAYSIA HOLDEN AT KUALA LUMPUR
(APPELLATE JURISDICTION)

B E T W E E N :

GERARD PARKES HEYWOOD

Appellant

- and -

~~THE DIRECTOR~~^{COMPTROLLER}-GENERAL OF
INLAND REVENUE

Respondent

RECORD OF PROCEEDINGS

SLAUGHTER & MAY,
35, Basinghall Street,
London, EC2V 5DB.

Solicitors for the Appellant

STEPHENSON HARWOOD & TATHAM,
Saddlers' Hall, Gutter Lane,
Cheapside, London, EC2V 6BS.

Solicitors for the Respondent.