

**IN THE COURT OF APPEAL OF MALAYSIA IN PUTRAJAYA
(APPELLATE JURISDICTION)
CIVIL APPEAL NO: W-01-24-1-10**

BETWEEN

PK RESOURCES SDN. BHD.

... APPELLANT

AND

KETUA PENGARAH HASIL DALAM NEGERI

... RESPONDENT

Revenue Law– subsection 33(1) – Income Tax Act 1967

Issue : Whether the Bank Guarantee Fees incurred by the tax payer are outgoings and expenses, wholly and exclusively incurred in the production of the tax payer's gross income.

Decision : The Court of Appeal dismissed the tax payer's appeal. The decision of the High Court Judge is affirmed.

The expenses incurred were costs of raising additional capital and therefore capital in nature. The tax payer is not involved in banking or financial activities.

Status : No grounds of judgment are provided by the Court of Appeal. No right of further appeal.

Date of Judgment : 3 April 2010