

C.J.173

KAMAR HAKIM BESAR
TANAH MELAYU
KUALA LUMPUR 01-02

CONFIDENTIAL

16hb Januari, 1981.


The Hon'ble Judges, High Court, Malaya.
The Hon'ble Judicial Commissioners, High Court, Malaya.

CIRCULAR LETTER NO.CJ.1/81
Adjournment in Bankruptcy Proceedings

The Income Tax Department is very concerned over the many adjournments given by the Court in bankruptcy proceedings. The Department is of the view that such adjournments defeat the purpose of income tax law which seeks to provide speedy recovery of income tax due to the government. Tax is payable within 30 days after the service of the Notice of Assessment (Sec. 103, Income Tax Act, 1967). It is only upon the failure of the debtors to pay the tax within the time required by the law that civil proceedings are instituted, followed, quite often, by bankruptcy proceedings. Rule 127 of the Bankruptcy Rules, 1969 appears to restrict the granting of adjournments even though it does not take away the discretion of the court to grant adjournments.

I do not have the slightest doubt that the Court has the discretion to adjourn any (Bankruptcy) proceedings before it "upon such terms, if any, as it thinks fit to impose".

However, in exercising the discretion, I would like to urge you to consider the public interest as otherwise it will result in the Court encouraging delays in, instead of promoting speedy payment of tax as required by the Income Tax Act, 1967.


(RAJA TAN SRI AZLAN SHAH)
CHIEF JUSTICE