**Facts**

A is a private company limited by shares and holder of a Category 1 Global Business Licence issued by the Financial Services Commission.

The shareholding structure of A is as follows:

- **Shareholding of A**
  - 15,333 shares held by H, a company registered under the laws of Bahamas and
  - 1 share held by C.

- **Shareholding of H**
  - 3,899,999 shares held by B, a company registered under the laws of Barbados; and
  - 1 share held by C.

- **Shareholding of B**
  - 11,694,702 shares held by E, a company registered under the laws of the Netherlands.

- **Shareholding of E**
  - 99% of the shares of E are held by F, a company registered under the laws of Jersey and
  - Remaining 1% of the shares of E is held by G, a company registered under the laws of Jersey

- **Shareholding of F**
  - 100% shares of F held by G

H intends to transfer all the shares it holds in A to E. Upon dissolution and/or striking off of H and/or B, all the surplus assets will be distributed to E.

**Points at issue**

1. Whether A is entitled to carry forward unrelieved losses from the past five years upon the transfer of all H shares held in the Company to E?
2. Whether A can carry forward the losses unrelieved from the past five years upon the
dissolution and/or striking off of H and/or B and the distribution of all the surplus
assets to E?

**Ruling**

On the basis of the above facts, it is confirmed that pursuant to Section 59(b) of the Income
Tax Act and in accordance with Regulation 19, A can carry forward the unrelieved tax losses
from the past five years -

1. upon the transfer of all H shares held in A to E; and

2. upon the dissolution and/or striking off of H and/or B and the distribution of all the
surplus assets to E.