

## **TR 3**

### **Facts**

A foreign company has been operating a branch in Mauritius. A new company was incorporated in Mauritius to take over the activities of the branch. The branch had accumulated losses as at the date of its take over.

### **Point at issue**

Whether the accumulated tax losses of the branch of the foreign company are transferable to the company incorporated in Mauritius to take over the activities carried on by the branch.

### **Ruling**

Losses incurred by the branch of a foreign company cannot be transferred to a company incorporated in Mauritius as they constitute two distinct and separate entities.