

Advance Ruling Summary No. 7/2026
Published on 4 May 2026

1. Subject:

- a. Whether Company A continues to carry on the same trade or business that Company B carries on immediately before the proposed amalgamation and the income of Company A would be regarded as arising from the same trade or business as that of Company B immediately before the proposed amalgamation; and
 - b. the unabsorbed capital allowances and losses (collectively, the “**Unabsorbed Tax Loss Items**”) transferred from Company B to Company A could be deducted against the income of Company A, in accordance with section 34C(25) of the Income Tax Act 1947 (the “**ITA**”), and subject to sections 34C(23) and 34C(24) of the ITA and the Income Tax (Amalgamation of Companies) Regulations 2011.
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2. Relevant background and facts:

- a. Company A and Company B are companies incorporated in Singapore.
- b. Company A’s principal activities are those of investment holding and provision of business support services to its subsidiaries and related companies.
- c. Company B’s principal activities are those of provision of business support services to its related companies.
- d. The business support services provided by Company B to its related companies are the same as that provided by Company A to its subsidiaries and related companies.
- e. Company B will be amalgamated into Company A under section 215F of the Companies Act 1967 on the proposed amalgamation date. Company A also intends to elect for section 34C of the ITA to apply in respect of the proposed amalgamation, with Company A being the amalgamated company.
- f. Company B has been and will continue to be in the business of the provision of business support services to its related companies until the proposed amalgamation date.
- g. Post-amalgamation, Company A will continue to carry on the business of the provision of business support services to related companies to derive service fee income. Company A will also take over Company B’s existing business support services contracts and provide business support

services to the existing recipients. The management of Company A intends to continue with the same headcount by function as Company B post-amalgamation.

3. Relevant legislative provisions:

- a. Income Tax Act 1947 – Section 34C
 - b. Income Tax (Amalgamation of Companies) Regulations 2011
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4. The rulings:

- a. The Unabsorbed Tax Loss Items of Company B (amalgamating company) could be deducted against the income of Company A (the amalgamated company) in accordance with section 34C(25) of the ITA.
 - b. The ruling is subject to Company A and Company B meeting the applicable conditions in sections 34C(23) and 34C(24) of the ITA and the Income Tax (Amalgamation of Companies) Regulations 2011.
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5. Reason for the decision:

- a. Company A can set-off Company B's Unabsorbed Tax Loss Items because the income of Company A would be regarded as arising from the same trade of business as that of Company B immediately before the proposed amalgamation.
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6. General Reference:

- a. Taxpayers may refer to the IRAS e-Tax Guide "Tax Framework for Corporate Amalgamations (Fifth Edition)", in particular, paragraphs 6.12, 6.13 and D1 of Annex A for further guidance on the conditions for utilisation of an amalgamating company's unabsorbed capital allowances, losses and donations by an amalgamated company.
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