

Advance Ruling Summary No. 18/2025
Published on 1 Sep 2025

1. Subject:

- a. Whether the revaluation gains arising from Company A's shares in the Overseas Investments (as defined below) upon Company A's liquidation during the basis period for the Year of Assessment Y will fall within the scope of section 10L of the Income Tax Act 1947 (the "**ITA**").
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2. Relevant background and facts:

- a. Company A is incorporated in Singapore. Company A is currently an investment holding company.
 - b. Company A's immediate holding company, Company B, is incorporated outside Singapore.
 - c. Company A has long-term investment in overseas companies (collectively, the "**Overseas Investments**").
 - d. Company A is intending to undergo liquidation during the financial year X (i.e. the basis period for the Year of Assessment Y), and the shares in the Overseas Investments are expected to be distributed in specie to Company B as part of the liquidation proceeds upon Company A's liquidation.
 - e. It is expected that the market value of the shares in the Overseas Investments will be higher than the book value as at the date of liquidation of Company A.
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3. Relevant legislative provisions:

- a. Income Tax Act 1947 – Section 10L
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4. The ruling:

- a. The revaluation gains arising from Company A's shares in the Overseas Investments upon Company A's liquidation during the basis period for the Year of Assessment Y will not fall within the scope of section 10L of the ITA.
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5. Reason for the decision:

- a. Company A will not receive any consideration for the transfer of the shares in the Overseas Investments to Company B as part of the liquidation proceeds. Consequently, there are no gains to be received in Singapore from this transaction.
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