

- (a) carries on the same business after the change as it carried on before the change until the loss has been fully deducted; and
- (b) does not, until the loss has been fully deducted, engage in any new business or investment after the change if the principal purpose of the entity or the owners of the entity is to utilise the loss so as to reduce the income tax payable on the income arising from the new business or investment.

(2) In this section -

"carry forward loss" means an interest deduction carried forward under section 41, a business loss carried forward under section 45, or a foreign business loss carried forward under section 73;

"entity" means a body of persons, a partnership, company or trust;

"ownership interest" means an interest of a member in a body of persons, an interest of a partner in a partnership, or a share in a company; and

"underlying ownership" in relation to an entity, means an ownership interest in the entity held, directly or indirectly through an interposed entity or entities, by an individual or by a person not ultimately owned by individuals.

#### PART V - RULES RELATING TO PARTICULAR INDUSTRIES

##### 69. Short-term insurance business

(1) The chargeable income of a company carrying on a short-term insurance business shall be computed in accordance with this section.

(2) The gross income of a resident company carrying on a short term insurance business for a tax year is the sum of -

- (a) the gross premiums derived by the company in the year for the insurance of any risk, including premiums on reinsurance but not including premiums returned to the insured;
- (b) the gross income of the company for the year, including any commission or expense allowance derived from the reinsurance of any risk and any income derived from investments; and

- (c) the amount of the company's reserve for unexpired risks deducted in the previous tax year under paragraph (c) of subsection (3).

(3) The total deductions allowed to a resident company carrying on a short-term insurance business for a tax year is the sum of -

- (a) the amount of the claims admitted by the company in the year less any amount recovered or recoverable under any contract of re-insurance, guarantee, security, or indemnity;
- (b) the amount of agency expenses incurred by the company in the year;
- (c) the balance of the company's reserve for unexpired risks at the percentage adopted by the company as at the end of the year; and
- (d) the total amount of any other expenditure incurred by the company in the year allowable as a deduction under this Act.

(4) The gross income of a non-resident company carrying on a short-term insurance business in The Gambia for a tax year is the sum of-

- (a) the gross premiums derived by the company in the year for the insurance of any risk in The Gambia, including premiums on reinsurance but excluding premiums returned to the insured;
- (b) the total amount of any Gambian-source income derived by the company that is included in the gross income of the company for the year, including any commission or expense allowance derived from the reinsurance of any risk in The Gambia and any income derived from investments; and
- (c) the amount of the company's reserve for unexpired risks deducted in the previous tax year under paragraph (c) of subsection (5).

(5) The total deductions allowed to a non-resident company carrying on a short-term insurance business in The Gambia for a tax year is the sum of -

- (a) the amount of the claims admitted by the company in