Draft Order laid before the House of Commons under section 5(2) of the Taxation (International and Other Provisions) Act 2010 and section 173(7) of the Finance Act 2006, for approval by resolution of that House.

DRAFT STATUTORY INSTRUMENTS

2010 No.

CAPITAL GAINS TAX
CORPORATION TAX
INCOME TAX

The Double Taxation Relief and International Tax Enforcement (Oman) Order 2010

Made - - - - 2010

At the Court at Buckingham Palace, the x day of y 2010

Present,

The Queen's Most Excellent Majesty in Council

A draft of this Order was laid before the House of Commons in accordance with section 5(2) of the Taxation (International and Other Provisions) Act 2010(**1**) and section 173(7) of the Finance Act 2006(**2**) and approved by a resolution of that House.

Accordingly, Her Majesty, in exercise of the powers conferred upon Her by section 2 of the Taxation (International and Other Provisions) Act 2010 and section 173(1) of the Finance Act 2006, by and with the advice of Her Privy Council, orders as follows—

Citation

1. This Order may be cited as the Double Taxation Relief and International Tax Enforcement (Oman) Order 2010.

Double taxation and international tax enforcement arrangements to have effect

2. It is declared that—

(**1**) 2010 c. 8
(**2**) 2006 c. 25.

(a) the arrangements specified in the Protocol set out in the Schedule to this Order, which vary the agreement set out in the Schedule to the Double Taxation Relief (Taxes on Income) (Oman) Order 1998(**3**) have been made with the Government of the Sultanate of Oman;

(b) the arrangements have been made with a view to affording relief from double taxation in relation to income tax, corporation tax, capital gains tax and taxes of a similar character imposed by the laws of the Sultanate of Oman and for the purpose of assisting international tax enforcement; and

(c) it is expedient that those arrangements should have effect.

Name
Clerk of the Privy Council

(**3**) S.I. 1998/2568.

SCHEDULE Article 2

PROTOCOL BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE SULTANATE OF OMAN TO AMEND THE AGREEMENT FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL GAINS SIGNED ON 23RD FEBRUARY 1998

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Sultanate of Oman,

Desiring to conclude a Protocol to amend the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Sultanate of Oman for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains, signed at London on 23rd February 1998 (hereinafter referred to as "the Agreement"),

Have agreed as follows:

ARTICLE I

Sub-paragraph (a) of paragraph (3) of Article 2 of the Agreement shall be replaced by the following:

"(a) in the case of the Sultanate of Oman:

the income tax;

(hereinafter referred to as "Omani tax");"

ARTICLE II

(1) In sub-paragraph (e) of paragraph (1) of Article 3 of the Agreement, the words "commercial or industrial" shall be deleted.

(2) Clause (ii) of sub-paragraph (i) of paragraph (1) of Article 3 of the Agreement shall be replaced by the following:

"(ii) in the case of the United Kingdom, the Commissioners for Her Majesty's Revenue and Customs or their authorised representative;"

ARTICLE III

Paragraph (5) of Article 8 of the Agreement shall be deleted.

ARTICLE IV

(1) Paragraph (2) of Article 10 of the Agreement shall be replaced by the following paragraphs, (2A) and (2B), as follows:

"(2A) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State:

(a) except as provided in sub-paragraph b), such dividends shall be exempt from tax in the Contracting State of which the company paying the dividends is a resident;

(b) where dividends are paid out of income (including gains) derived directly or indirectly from immovable property within the meaning of Article 6 by an investment company or investment fund which distributes most of this income annually and whose income from such immovable property is exempted from tax, the tax charged by the Contracting State of which the company paying the dividends is a resident shall not exceed 15 per cent of the gross amount of the dividends.

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

(2B) Notwithstanding the provisions of sub-paragraph (b) of paragraph (2A) of this Article, dividends paid by a company which is a resident of a Contracting State shall be exempt from tax in that State where they are paid to:

(a) in the case of the Sultanate of Oman:

(i) the Government of the Sultanate of Oman;

(ii) the Central Bank of Oman;

(iii) the State General Reserve Fund;

(iv) the Omani Investment Fund;

(v) any retirement or pension fund organised under Omani laws; and

(vi) any other statutory body or institution wholly or mainly owned by the Government of the Sultanate of Oman, as may be agreed from time to time between the competent authorities of the Contracting States;

(b) in the case of the United Kingdom:

(i) the Government of the United Kingdom;

(ii) the Bank of England;

(iii) any pension fund organised under United Kingdom law; and

(iv) any other statutory body or institution wholly or mainly owned by the Government of the United Kingdom, as may be agreed from time to time between the competent authorities of the Contracting States."

(2) In paragraph (4) of Article 10 of the Agreement, the words "paragraphs (1) and (2)" shall be replaced by the words "paragraphs (1) and (2A)".