

**AGREEMENT BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE 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**

Date of Conclusion: 6 October 2003.

Entry into Force: 7 April 2006.

Effective Date: 1 January 2007.

NOTE

Singapore and Oman signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (commonly known as the “Multilateral Instrument” or in short, the “MLI”) on 7 June 2017 and 26 November 2019 respectively. Singapore and Oman ratified the MLI on 21 December 2018 and 7 July 2020 respectively.

More information on the MLI is available at <https://www.iras.gov.sg/irashome/Quick-Links/International-Tax/Multilateral-Instrument/>.

The Income Tax (Singapore-Oman) (Avoidance of Double Taxation Agreement) (Modifications to Implement Multilateral Instrument) Order 2020, which has entered into force on 1 November 2020, implements the applicable provisions of the MLI to the articles of this Agreement. For informational purposes, details of the amendments to this Agreement are shown in Annex A.

The Government of the Republic of Singapore and the Government of the Sultanate of Oman,

Desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,

Have agreed as follows:

Article 1 - PERSONS COVERED

This Agreement shall apply to persons who are residents of one or both of the Contracting States.

Article 2 - TAXES COVERED

1. This Agreement shall apply to taxes on income imposed on behalf of a Contracting State or of its local authorities, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income all taxes imposed on total income or on elements of income, including taxes on gains from the alienation of movable or immovable property.
3. The existing taxes to which the Agreement shall apply are in particular:
 - a) in the case of the Sultanate of Oman:
 - (i) the company income tax imposed under Royal Decree No. 47/1981 as amended; and
 - (ii) the profit tax on commercial and industrial establishments imposed under Royal Decree No. 77/1989 as amended;(hereinafter referred to as "Omani tax").
 - b) in the case of Singapore:
 - the income tax(hereinafter referred to as "Singapore tax").
4. This Agreement shall also apply to any identical or substantially similar taxes which are imposed after the date of signature of this Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any significant changes which have been made in the respective taxation laws.

Article 3 - GENERAL DEFINITIONS

1. For the purposes of this Agreement, unless the context otherwise requires:
 - a) the term "Sultanate of Oman" means the territory of the Sultanate of Oman and the islands belonging thereto, including the territorial waters and any area outside the territorial waters over which the Sultanate of Oman may, in accordance with international law and the laws of the Sultanate of Oman, exercise sovereign rights with respect to the exploration and exploitation of the natural resources of the sea-bed and the sub-soil and the superjacent waters;
 - b) the term "Singapore" means the territories of the Republic of Singapore, the territorial waters of Singapore and the sea-bed and subsoil of the territorial waters, and when used in a geographical sense includes any area extending beyond the limits of the territorial waters of Singapore, and the sea-bed and subsoil of any such area, which has been or may thereafter be designated under the laws of Singapore and in accordance with international law as an area over which Singapore has sovereign rights for the purposes of exploring and exploiting the natural resources, whether living or non-living;
 - c) the terms "a Contracting State" and "the other Contracting State" mean the Sultanate of Oman or Singapore, as the context requires;
 - d) the term "person" includes an individual, a company, a body of persons and any other entity which is treated as a taxable unit under the taxation laws in force in the respective Contracting State;

- e) the term “company” means any body corporate or any entity which is treated as a body corporate for tax purposes;
 - f) the terms “enterprise of a Contracting State” and “enterprise of the other Contracting State” mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
 - g) the term “international traffic” means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;
 - h) the term “national” means:
 - i) any individual possessing the nationality of a Contracting State;
 - ii) any legal person, partnership or association deriving its status as such from the laws in force in a Contracting State;
 - i) the term “competent authority” means:
 - i) in the case of the Sultanate of Oman, the Minister of National Economy and Supervisor of the Ministry of Finance or his authorised representative;
 - ii) in the case of Singapore, the Minister for Finance or his authorised representative;
 - j) the term “tax” means Omani tax or Singapore tax, as the context requires, but shall not include any amount which is payable in respect of any default or omission in relation to the taxes to which this Agreement applies or which represents a penalty imposed relating to those taxes.
2. As regards the application of the Agreement at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that State prevailing over a meaning given to the term under other laws of that State.

Article 4 - RESIDENT

1. For the purpose of this Agreement, the term “resident of a Contracting State” means any person who, under the law of that State, is liable to tax therein by reason of his domicile, residence, place of management, place of registration, or any other criterion of a similar nature, and also includes that State and any local authority thereof.
2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows:
 - a) he shall be deemed to be a resident only of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident of the State with which his personal and economic relations are closer (centre of vital interests);
 - b) if the Contracting State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either State,

he shall be deemed to be a resident only of the State in which he has an habitual abode;

- c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident only of the State of which he is a national;
 - d) if the status of the resident cannot be determined by reason of subparagraphs a) to c) in that sequence, the competent authorities of the Contracting States shall settle the question by mutual agreement.
3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident only of the State in which its place of effective management is situated.

Article 5 - PERMANENT ESTABLISHMENT

1. For the purposes of this Agreement, the term “permanent establishment” means a fixed place of business through which the business of an enterprise is wholly or partly carried on.
2. The term “permanent establishment” includes especially:
- a) a place of management;
 - b) a branch;
 - c) an office;
 - d) a factory;
 - e) a workshop;
 - f) a mine, an oil or gas well, quarry or any other place of extraction of natural resources; and
 - g) a building site, a construction, assembly or installation project or supervisory activities in connection therewith, only where such site, project or activities continue for a period of more than nine (9) months.
3. Notwithstanding the preceding provisions of this Article, the term “permanent establishment” shall be deemed not to include:
- a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
 - b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
 - c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
 - d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or of collecting information, for the enterprise;
 - e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character;
 - f) the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs a) to e), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

4. Notwithstanding the provisions of paragraphs 1 and 2, where a person - other than an agent of an independent status to whom paragraph 5 applies - is acting on behalf of an enterprise and has, and habitually exercises, in a Contracting State an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that State in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 3 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.
5. An enterprise of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business.
6. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

Article 6 - INCOME FROM IMMOVABLE PROPERTY

1. Income derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other Contracting State.
2. The term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture (including the breeding and cultivation of fish) and forestry, rights to which the provisions of general law respecting landed property apply. Usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources shall also be considered as "immovable property". Ships, boats and aircraft shall not be regarded as immovable property.
3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.
4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

Article 7 - BUSINESS PROFITS

1. The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.

2. Subject to the provisions of paragraph 3 of this Article, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.
3. In the determination of the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the business of the permanent establishment including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere, in accordance with the provisions of the taxation laws of that State.
4. Insofar as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in paragraph 2 shall preclude that Contracting State from determining the profits to be taxed by such an apportionment as may be customary. The method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles embodied in this Article.
5. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.
6. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.
7. Where profits include items of income which are dealt with separately in other Articles of this Agreement, then the provisions of those Articles shall not be affected by the provisions of this Article.

Article 8 - SHIPPING AND AIR TRANSPORT

1. Profits of an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that Contracting State.
2. The provisions of paragraph 1 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.
3. For the purposes of this Article, profits from the operation of ships or aircraft in international traffic shall include:
 - a) profits from the sale of tickets from such operation of ships or aircraft on behalf of other enterprises;
 - b) profits from the rental on a bareboat basis of ships or aircraft where the rental is incidental to such operation of ships or aircraft; and
 - c) profits from the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers) used for the transport of goods or merchandise, where the use, maintenance or rental is incidental to such operation of ships or aircraft in international traffic.
4. For the purposes of this Article, interest on deposits with banks where the deposits are from funds directly connected with the operation of ships or aircraft in international

traffic shall be regarded as income or profits derived from the operation of such ships or aircraft, and the provisions of Article 11 shall not apply in relation to such interest.

5. The term "operation of ships or aircraft" means business of transportation by sea or by air of passengers, mail, livestock or goods carried on by the owners, lessees or charterers of ships or aircraft, including the sale of tickets for such transportation on behalf of other enterprises, the incidental lease of ships or aircraft and any other activity directly connected with such transportation.
6. For the purposes of this Article and notwithstanding the provisions of paragraph 1(f) of Article 3, the term "enterprise of a Contracting State" in relation to the operation of aircraft in international traffic means:
 - a) in the case of the Sultanate of Oman, Gulf Air, Oman Aviation Services Company (SAOG) and any other air transport enterprise carried on by a resident of the Sultanate of Oman and not resident of Singapore;
 - b) in the case of Singapore, Singapore Airlines Limited and any other air transport enterprise managed and controlled in Singapore and carried on either by an individual resident in Singapore and not resident in the Sultanate of Oman, or by a partnership or corporation created or organised under the laws of Singapore.

Article 9 - ASSOCIATED ENTERPRISES

1. Where
 - a) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or
 - b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State,

and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

2. Where a Contracting State includes, in accordance with the provisions of paragraph 1, in the profits of an enterprise of that State - and taxes accordingly - profits on which an enterprise of the other Contracting State has been charged to tax in that other State and where the competent authorities of the Contracting States agree, upon consultation, that all or part of the profits so included are profits which would have accrued to the enterprise of the first-mentioned State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other State shall make an appropriate adjustment to the amount of the tax charged therein on those agreed profits. In determining such adjustment, due regard shall be had to the other provisions of this Agreement.

Article 10 - DIVIDENDS

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.
2. 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, the tax so charged shall not exceed five (5) 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.

3. Notwithstanding the provisions of paragraph 2, dividends paid by a company which is a resident of a Contracting State to the Government of the other Contracting State shall be exempt from tax in the first mentioned State.
4. For the purposes of paragraph 3, the term "Government" shall include:
 - a) in the case of the Sultanate of Oman:
 - i) the Central Bank of Oman;
 - ii) the State General Reserve Fund;
 - iii) the Omani Development Bank (to the extent that it is not a commercial bank); and
 - iv) 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 Singapore:
 - i) the Monetary Authority of Singapore and the Board of Commissioners of Currency;
 - ii) the Government of Singapore Investment Corporation Pte Ltd; and
 - iii) any other statutory body or institution wholly or mainly owned by the Government of Singapore, as may be agreed from time to time between the competent authorities of the Contracting States.

5. The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" rights, mining shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the State of which the company making the distribution is a resident.
6. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.
7. Where a company which is a resident of a Contracting State, derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident

of that other State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or a fixed base situated in that other State, nor subject the company's undistributed profits to a tax on the company's undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

8. The provisions of this Article shall not apply if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the shares or other rights in respect of which the dividend is paid to take advantage of this Article by means of that creation or assignment.

Article 11 - INTEREST

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.
2. However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the beneficial owner of the interest is a resident of the other Contracting State, the tax so charged shall not exceed seven (7) percent of the gross amount of the interest.
3. Notwithstanding the provisions of paragraph 2, interest arising in a Contracting State and paid to the Government of the other Contracting State shall be exempt from tax in the first-mentioned State.
4. For the purposes of paragraph 3, the term "Government" shall include:
 - a) in the case of the Sultanate of Oman:
 - i) the Central Bank of Oman;
 - ii) the State General Reserve Fund;
 - iii) the Omani Development Bank (to the extent that it is not a commercial bank); and
 - iv) 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 Singapore:
 - i) the Monetary Authority of Singapore and the Board of Commissioners of Currency;
 - ii) the Government of Singapore Investment Corporation Pte Ltd; and
 - iii) any other statutory body or institution wholly or mainly owned by the Government of Singapore, as may be agreed from time to time between the competent authorities of the Contracting States.
5. The term "interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.
6. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State, in which the interest arises, through a permanent establishment

situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case, the provisions of Article 7 or Article 14, as the case may be, shall apply.

7. Interest shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment or fixed base is situated.
8. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.
9. The provisions of this Article shall not apply if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the debt-claim in respect of which the interest is paid to take advantage of this Article by means of that creation or assignment.

Article 12 - ROYALTIES

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.
2. However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed eight (8) percent of the gross amount of the royalties.
3. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including computer software, cinematograph films, or films or tapes used for radio or television broadcasting, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.
4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such case, the provisions of Article 7 or Article 14, as the case may be, shall apply.
5. Royalties shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or

a fixed base in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.

6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of royalties, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.
7. The provisions of this Article shall not apply if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the rights in respect of which the royalties are paid to take advantage of this Article by means of that creation or assignment.

Article 13 - CAPITAL GAINS

1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 6 and situated in the other Contracting State may be taxed in that other State.
2. Gains derived by a resident of a Contracting State from the alienation of shares, other than shares traded on a recognised Stock Exchange, deriving at least seventy-five (75) percent of their value directly or indirectly from immovable property situated in the other Contracting State may be taxed in that other State.
3. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base, may be taxed in that other State.
4. Gains derived by a resident of a Contracting State from the alienation of ships or aircraft operated in international traffic or movable property pertaining to the operation of such ships or aircraft shall be taxable only in that Contracting State.
5. Gains from the alienation of any property other than that referred to in the preceding paragraphs of this Article shall be taxable only in the Contracting State of which the alienator is a resident.

Article 14 - INDEPENDENT PERSONAL SERVICES

1. Income derived by an individual who is a resident of a Contracting State in respect of professional services or other independent activities of a similar character shall be taxable only in that State unless he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities. If he has such a fixed base, the income may be taxed in the other State but only so much of it as is attributable to that fixed base.

2. The term “professional services” includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists and accountants.

Article 15 - DEPENDENT PERSONAL SERVICES

1. Subject to the provisions of Articles 16, 18 and 19 of this Agreement, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.
2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:
 - a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned, and
 - b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and
 - c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.
3. Notwithstanding the preceding paragraphs of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic by an enterprise of a Contracting State shall be taxable only in that State. However, if the remuneration is derived by a resident of the other Contracting State, it may also be taxed in that other State.

Article 16 - DIRECTORS' FEES

Directors' fees and other similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors of a company which is a resident of the other Contracting State may be taxed in that other State.

Article 17 - ARTISTES AND SPORTSMEN

1. Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsman, from his personal activities as such exercised in the other Contracting State, may be taxed in that other State.
2. Where income in respect of, or directly connected with, personal activities exercised by an entertainer or a sportsman accrues not to the entertainer or sportsman himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the Contracting State in which the activities of the entertainer or sportsman are exercised.

3. Income derived by an entertainer or a sportsman from activities exercised in a Contracting State shall be exempt from tax in that State, if the visit to that State is supported wholly or mainly by public funds of the other Contracting State or a local authority or a statutory body thereof.

Article 18 - PENSIONS

Subject to the provisions of paragraph 2 of Article 19, pensions and other similar remuneration paid to a resident of a Contracting State in consideration of past employment shall be taxable only in that State.

Article 19 - GOVERNMENT SERVICE

1.
 - a) Salaries, wages and other similar remuneration, other than a pension, paid by a Contracting State or a local authority or a statutory body thereof to any individual in respect of services rendered to that State or authority or body shall be taxable only in that State.
 - b) However, such salaries, wages and other similar remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the individual is a resident of that State, who:
 - i) is a national of that State; or
 - ii) did not become a resident of that State solely for the purpose of rendering the services.
2.
 - a) Any pension paid by, or out of funds created by, a Contracting State or a local authority or a statutory body thereof to any individual in respect of services rendered to that State or authority or body shall be taxable only in that State.
 - b) However, such pension shall be taxable only in the other Contracting State if the individual is a resident of, and a national of, that other State.
3. The provisions of Articles 15, 16, 17 and 18 of this Agreement shall apply to salaries, wages and other similar remuneration, and to pensions, in respect of services rendered in connection with a business carried on by a Contracting State or a local authority or a statutory body thereof.

Article 20 - TEACHERS AND RESEARCHERS

1. An individual who is resident of a Contracting State immediately before making a visit to the other Contracting State and who, at the invitation of any approved university, college, school or other similar educational institution or scientific research institution, visits that other Contracting State for a period not exceeding two years from the date of his arrival in that other State solely for the purpose of teaching or research or both at such educational or research institution, shall be exempt from tax in that other State on any remuneration derived from such teaching or research.
2. The term "approved" in paragraph 1 refers to the approval given by the Contracting State in which the university, college, school or other similar educational institution or scientific research institution is situated.

3. This Article shall not apply to income from research if such research is undertaken primarily for the private benefit of a specific person or persons.

Article 21 - STUDENTS AND APPRENTICES

1. A student or business apprentice who is or was a resident of a Contracting State immediately before visiting the other Contracting State and who is present in that other Contracting State solely for the purpose of his education or training, shall be exempt from tax in that other Contracting State on:
 - a) payments made to him by persons residing outside that other Contracting State for the purposes of his maintenance, education or training; and
 - b) remuneration from employment in that other Contracting State, in an amount not exceeding five thousand (5000) United States Dollars or its equivalent amount in Omani or Singapore currency during any fiscal year, provided that such employment is directly related to his studies or is undertaken for the purposes of his maintenance.
2. The exemption under this Article shall apply only for such period of time as may be reasonable or customarily required to complete the education or training undertaken, but in no event shall any individual have the exemption under this Article for more than three consecutive years from the date of his first arrival in that other Contracting State.

Article 22 - OTHER INCOME

1. Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Agreement shall be taxable only in that State.
2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6, if the recipient of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base. In such case, the provisions of Article 7 or Article 14, as the case may be, shall apply.
3. Notwithstanding the provisions of paragraphs 1 and 2, items of income of a resident of a Contracting State not dealt with in the foregoing Articles of this Agreement and arising in the other Contracting State may also be taxed in that other State.

Article 23 - ELIMINATION OF DOUBLE TAXATION

1. In the Sultanate of Oman, double taxation shall be avoided as follows:

Where a resident of the Sultanate of Oman derives income which, in accordance with the provisions of this Agreement, may be taxed in Singapore, the Sultanate of Oman shall allow as a deduction from the tax on the income of the resident an amount equal to the income tax paid in Singapore, whether directly or by deduction. Such deduction

shall not, however, exceed that part of the income tax (as computed before the deduction is given) which is attributable to the income which may be taxed in Singapore.

2. In Singapore, double taxation shall be avoided as follows:

Where a resident of Singapore derives income from the Sultanate of Oman which, in accordance with the provisions of this Agreement, may be taxed in the Sultanate of Oman, Singapore shall, subject to its laws regarding the allowance as a credit against Singapore tax of tax payable in any country other than Singapore, allow the Omani tax paid, whether directly or by deduction, as a credit against the Singapore tax payable on the income of that resident. Where such income is a dividend paid by a company which is a resident of the Sultanate of Oman to a resident of Singapore which is a company owning directly or indirectly not less than ten (10) percent of the share capital of the first-mentioned company, the credit shall take into account the Omani tax paid by that company on the portion of its profits out of which the dividend is paid.

3. The tax payable in a Contracting State mentioned in paragraphs 1 and 2 of this Article shall be deemed to include the tax which would have been payable but for the tax incentives granted under the laws of that Contracting State and which are designed to promote economic development.
4. The provisions of paragraph 3 shall apply for ten (10) years from the date on which the Agreement takes effect, as long as the Agreement is in force, but the competent authorities of the Contracting States may consult each other to determine whether this period shall be extended.

Article 24 - MUTUAL AGREEMENT PROCEDURE

1. Where a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Agreement, he may, irrespective of the remedies provided by the domestic law of those States, present his case to the competent authority of the Contracting State of which he is a resident. The case must be presented within two years from the first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.
2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation which is not in accordance with the Agreement. Any agreement reached shall be implemented notwithstanding any time-limits in the domestic law of the Contracting States.
3. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Agreement.
4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs.

Article 25 - EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Agreement or of the domestic laws of the Contracting States concerning taxes covered by this Agreement insofar as the taxation thereunder is not contrary to the Agreement, in particular for the prevention of fiscal evasion. Any information received by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by the Agreement. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.
2. In no case shall the provisions of paragraph 1 be construed so as to impose on a Contracting State the obligation:
 - a) to carry out administrative measures at variance with the laws and the administrative practice of that or of the other Contracting State;
 - b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;
 - c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process or information, the disclosure of which would be contrary to public policy (ordre public).

Article 26 - MEMBERS OF DIPLOMATIC MISSIONS AND CONSULAR POSTS

Nothing in this Agreement shall affect the fiscal privileges of members of diplomatic missions or consular posts under the general rules of international law or under the provisions of special agreements.

Article 27 - ENTRY INTO FORCE

Each of the Contracting States shall notify the other Contracting State the completion of the procedures required by its law for the bringing into force of this Agreement. This Agreement shall enter into force on the date of the later of these notifications and shall thereupon have effect:

- a) in the Sultanate of Oman:
 - i) in respect of taxes withheld at source: for amounts paid or credited on or after the first day of January next following the date on which this Agreement enters into force, and
 - ii) in respect of other taxes: for any taxable year commencing on or after the first day of January next following the date on which this Agreement enters into force;
- b) in Singapore:

in respect of tax chargeable for any year of assessment commencing on or after the first day of January in the second calendar year following the year in which this Agreement enters into force.

Article 28 - TERMINATION

This Agreement shall remain in force until terminated by one of the Contracting States. Either Contracting State may terminate the Agreement, through diplomatic channels, by giving notice of termination at least six months before the end of any calendar year after the period of five years from the date on which the Agreement enters into force. In such event, the Agreement shall cease to have effect:

- a) in the Sultanate of Oman:
 - i) in respect of taxes withheld at source: for amounts paid or credited on or after the first day of January in the calendar year immediately following that in which the notice of such termination is given, and
 - ii) in respect of other taxes: for any taxable year commencing on or after the first day of January in the calendar year immediately following that in which the notice of such termination is given;
- b) in Singapore:

in respect of tax chargeable for any year of assessment commencing on or after the first day of January in the second calendar year following the year in which the notice of such termination is given.

In WITNESS WHEREOF, the undersigned, duly authorised thereto, have signed this Agreement.

Done at Singapore on 10 Sha'aban 1424 AH, corresponding to the 6th day of October 2003 in two identical originals each in the Arabic and English languages, both texts being equally authoritative.

**For the Government of
The Republic of Singapore**

**LIM HNG KIANG
SECOND MINISTER FOR FINANCE &
MINISTER, PRIME MINISTER'S OFFICE**

**For the Government of
The Sultanate of Oman**

**AHMED BIN ABDULNABI MACKI
MINISTER OF NATIONAL ECONOMY AND
DEPUTY CHAIRMAN OF FINANCIAL AFFAIRS
AND ENERGY RESOURCES COUNCIL**

PROTOCOL

At the signing of the Agreement between the Government of the Republic of Singapore 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 (hereinafter referred to as “the Agreement”), the undersigned have agreed upon the following provisions which form an integral part of the Agreement :

1. With reference to the Agreement:

The term “statutory body” means a body constituted by an Act of Parliament in Singapore or under Royal Decree in the Sultanate of Oman whose principal objective is to engage in non-commercial activities.

2. With reference to Article 4:

For the purposes of paragraph 1, the term “resident of a Contracting State” shall also include a statutory body of a Contracting State. In the case of the Sultanate of Oman, it shall include the State General Reserve Fund.

3. With reference to Articles 8 and 13:

- a) For the purposes of paragraph 4 of Article 13 and notwithstanding the provisions of paragraph 1 of Article 4, the term “resident of a Contracting State” in relation to the alienation of aircraft operated in international traffic or moveable property pertaining to the operation of such aircraft shall, in the case of the Sultanate of Oman, include Gulf Air.
- b) If an air transport enterprise of the Republic of Singapore with respect to profits or gains referred to in Article 8 and paragraph 4 of Article 13 is charged to tax of the kind referred to in Article 2 in one of the shareholding States of Gulf Air, the exemption from Singapore tax under Article 8 and paragraph 4 of Article 13 shall cease to apply insofar as Gulf Air is concerned and the Contracting States shall open negotiations without delay with a view of determining the taxation of Gulf Air.
- c) When the Agreement comes into force, the Agreement signed on 29 June 1998 between the Government of the Sultanate of Oman and the Government of the Republic of Singapore for the Avoidance of Double Taxation of Income derived from International Air Transport shall, except for the Protocol to the second-mentioned Agreement, cease to apply to any tax year or year of assessment, as the case may be, in respect of which the first-mentioned Agreement has effect.

4. With reference to Article 10:

In the case of Singapore, where under its current taxation laws, dividends are paid by a company which is a resident of Singapore to a resident of the Sultanate of Oman who is the beneficial owner of such dividends, there is no tax in Singapore which is chargeable on dividends in addition to the tax chargeable in respect of the profits or income of the company. Under the full imputation system adopted, the tax deductible from dividends is a tax on the profits or income of the company and not a tax on dividends within the meaning of this Article.

5. With reference to Articles 15 and 21:

For the purposes of paragraph 2(a) of Article 15 and paragraph 1(b) of Article 21, the term “fiscal year”, in the case of Singapore, means the calendar year.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto, have signed this Protocol.

Done at Singapore on 10 Sha’aban 1424 AH, corresponding to the 6th day of October 2003 in two identical originals each in the Arabic and English languages, both texts being equally authoritative.

**For the Government of
The Republic of Singapore**

**For the Government of
The Sultanate of Oman**

**LIM HNG KIANG
SECOND MINISTER FOR FINANCE &
MINISTER, PRIME MINISTER’S OFFICE**

**AHMED BIN ABDULNABI MACKI
MINISTER OF NATIONAL ECONOMY AND
DEPUTY CHAIRMAN OF FINANCIAL AFFAIRS
AND ENERGY RESOURCES COUNCIL**

ANNEX A

Effects of the MLI on this Agreement

1. Deletion and replacement of the Preamble

The preamble of this Agreement is deleted and replaced by the following preamble:

“The Government of the Republic of Singapore and the Government of the Sultanate of Oman,

Intending to eliminate double taxation with respect to the taxes covered by this Agreement without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty shopping arrangements aimed at obtaining reliefs provided in this Agreement for the indirect benefit of residents of third jurisdictions),

Have agreed as follows:”.

2. Amendment of Article 10

Paragraph 8 of Article 10 (Dividends) of the Agreement is deleted.

3. Amendment of Article 11

Paragraph 9 of Article 11 (Interest) of the Agreement is deleted.

4. Amendment of Article 12

Paragraph 7 of Article 12 (Royalties) of the Agreement is deleted.

5. Amendment of Article 24

(a) In paragraph 1 of Article 24 (Mutual Agreement Procedure), the second sentence is replaced with the following sentence:

“The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.”; and

(b) In paragraph 3 of Article 24 (Mutual Agreement Procedure), the words “They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.” are inserted immediately after the words “the interpretation or application of the Agreement.”.

6. New Article 26A

The following new Article 26A is inserted immediately after Article 26 (Members of Diplomatic Missions and Consular Posts), the following Article:

“Article 26A – PREVENTION OF TREATY ABUSE

Notwithstanding any provisions of this Agreement, a benefit under this Agreement shall not be granted in respect of an item of income or capital if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of this Agreement.”.

7. Entry into effect of the MLI

The effects of the MLI on this Agreement, as laid out in this Annex, shall have effect in Singapore:

- (a) for paragraph 5 of this Annex on the amendment of Article 24 (Mutual Agreement Procedure), for a case presented on or after 1 November 2020, without regard to the basis period to which the case relates. However, paragraph 5 of this Annex shall not apply to a case that was not eligible to be presented immediately before 1 November 2020;
- (b) for all other paragraphs in this Annex:
 - (i) with respect to taxes withheld at source, in respect of amounts paid, deemed paid or liable to be paid (whichever is the earliest), on or after 1 January 2021; and
 - (ii) with respect to taxes other than those withheld at source, where the income is derived or received in a basis period beginning on or after 1 May 2021.