

**AGREEMENT BETWEEN  
THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE AND  
THE GOVERNMENT OF THE SULTANATE OF OMAN  
FOR THE AVOIDANCE OF DOUBLE TAXATION OF INCOME  
DERIVED FROM INTERNATIONAL AIR TRANSPORT**

Date of Conclusion: 29 June 1998.

Entry into Force: 14 January 2000.

Effective Date: 1 January 1971.

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 of Income derived from International Air Transport;

HAVE AGREED as follows:

**ARTICLE 1 - TAXES COVERED**

1. The taxes which are the subject of this Agreement are:

(a) In the Republic of Singapore:

the income tax;

(hereinafter referred to as "Singapore tax");

(b) In the Sultanate of Oman:

(i) the Company Income Tax;

(ii) the profit tax on commercial and industrial establishments;

(hereinafter referred to as "Omani tax").

2. This Agreement shall also apply to any identical or substantially similar taxes which are imposed by either Contracting State after the date of signature of this Agreement in addition to, or in place of, the taxes referred to in paragraph 1 of this Article.

3. Each Contracting State shall immediately inform the other Contracting State of any substantial changes which have been made in its respective taxation laws which affect this Agreement.

## **ARTICLE 2 - DEFINITIONS**

1. In this Agreement, unless the context otherwise requires:
  - (a) the terms "a Contracting State" and "the other Contracting State" mean the Republic of Singapore or the Sultanate of Oman, as the context requires;
  - (b) the term "tax" means Singapore tax or Omani tax, as the context requires;
  - (c) the term "enterprise of a Contracting State" means:
    - (i) in the case of the Sultanate of Oman, Gulf Air or any other air transport enterprise managed and controlled in the Sultanate of Oman and carried on either by an individual resident in the Sultanate of Oman and not resident in Singapore, or by a partnership or corporation created or organized under the laws of the Sultanate of Oman;
    - (ii) in the case of Singapore, Singapore Airlines Ltd or 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 organized under the laws of Singapore;
  - (d) the term "international traffic" means any transport by an aircraft operated by an enterprise of a Contracting State except when the aircraft is operated solely between places in the other Contracting State;
  - (e) the term "competent authority" means:
    - (i) in the case of the Republic of Singapore, the Minister for Finance or his authorised representative;
    - (ii) in the case of the Sultanate of Oman, the Minister of National Economy and Supervisor of Ministry of Finance or his authorised representative.

2. In the application of the provisions of this Agreement by a Contracting State any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of this Agreement.

## **ARTICLE 3 - AVOIDANCE OF DOUBLE TAXATION**

1. Income derived from the operation of aircraft in international traffic by an enterprise of a Contracting State shall be exempt from tax in the other Contracting State.

2. Gains derived by an enterprise of a Contracting State from the alienation of aircraft owned and operated by the enterprise in international traffic, the income from which is taxable only in that State, and gains from the alienation of spares, equipment, and other movable property used by the enterprise in the operation of such aircraft shall be exempt from tax in the other Contracting State.

3. Salaries, wages and other remuneration in respect of an employment exercised aboard an aircraft operated in international traffic shall be taxable only in the Contracting State where the air transport enterprise is managed and controlled.

4. For the purposes of this Article:

(a) the term "operation of aircraft" shall include transportation by air of persons, baggage, livestock, goods or mail, carried on by the owners or lessees or charterers of aircraft, including the sale of tickets or similar documents for such transportation on behalf of other enterprises, the incidental lease of aircraft on a charter basis and any other activity directly connected with such transportation;

(b) income derived from the operation of aircraft shall include:

(i) interest derived from deposits with banks where the deposits are from funds directly connected with the operation of aircraft in international traffic; and

(ii) income and profits derived from training schemes and other related services rendered to an air transport enterprise of the other Contracting State;

(c) the term "aircraft owned" shall include an aircraft under a finance lease.

5. The exemption provided for in paragraphs 1, 2 and 3 shall also apply to any participation in a pool, a joint business or international operating agency.

6. Payments which a trainee of an enterprise of a Contracting State who is present in the other Contracting State solely for the purpose of his training receives for the purpose of his maintenance and training, shall not be taxed in that other Contracting State provided that such payments arise from outside that State and that the period of such training does not exceed two years.

#### **ARTICLE 4 - RENEGOTIATION**

If an enterprise of the Republic of Singapore is charged to tax of the kind referred to in Article 1, with respect to income, profits and gains referred to in Article 3, in any State of which Gulf Air is the national carrier, the exemptions under Article 3 will cease to apply and the Contracting States shall open negotiations without delay with a view to adjusting accordingly the exemptions afforded by Article 3 of this Agreement.

#### **ARTICLE 5 - REFUND**

In case any tax which would have been exempted under this Agreement has been collected by either of the Contracting States, the tax shall be refunded upon application submitted by the competent authority of either Contracting State on behalf of its air transport enterprise within six months from the date of such application.

## **ARTICLE 6 - MUTUAL AGREEMENT PROCEDURE**

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. Any consultation in this respect shall begin within sixty days from the date of receipt of any such request.

## **ARTICLE 7 - ENTRY INTO FORCE**

Each Contracting State shall notify the other through diplomatic channels of the completion of the relevant procedures required by its law to bring this Agreement into force. The Agreement shall enter into force on the date of the later of these notifications and shall thereupon have effect as regards income and gains arising on or after the first day of January 1971.

## **ARTICLE 8 - TERMINATION**

This Agreement shall remain in force indefinitely but either Contracting State may terminate it by giving notice of termination through diplomatic channels at least six months before the end of any calendar year after the fifth year following that of the entry into force. In such event this Agreement shall cease to be effective as regards income and gains arising on or after 1 January in the calendar year immediately following that in which such notice is given.

IN WITNESS WHEREOF the undersigned, duly authorised thereto by their respective Governments, have signed this Agreement.

DONE in duplicate at Singapore on this 29th day of June 1998 A.D., corresponding to 5/3/1419 AH, in the English and Arabic languages, both texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF THE  
REPUBLIC OF SINGAPORE

KOH CHER SIANG

FOR THE GOVERNMENT OF THE  
SULTANATE OF OMAN

SULEIMAN BIN MUHANNA  
AL-ADAWY

## **PROTOCOL (1998)**

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 of Income derived from International Air Transport, both sides have agreed upon the following provision which shall be an integral part of the Agreement.

"Any item used by an air transport enterprise of a Contracting State for operational or promotional purposes such as crockeries, stationery, diaries, calendars, giveaways, tour brochures and catering (excluding liquor and tobacco), uniforms, office equipment, computers, X-ray machines, explosive detectors, and vehicles for use within airport limits, shall be exempt from customs duty or any other similar imposition in the other Contracting State".

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

DONE in duplicate at Singapore on this 29th day of June 1998 A.D., corresponding to 5/3/1419 AH, in the English and Arabic Languages, both texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

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