
EXPLANATORY NOTE

(This note is not part of the Order)

The Schedule to this Order contains a Protocol (“the Protocol”) which amends 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, which was scheduled to the Double Taxation Relief (Taxes on Income) (Oman) Order 1998 ([S.I. 1998/2568](#)) (“the 1998 Agreement”). This Order brings the amending Protocol into effect.

The 1998 Agreement aims to eliminate the double taxation of income or gains arising in one country and paid to residents of the other country. It does this by allocating the taxing rights that each country has under its domestic law over the same income and gains, and/or by providing relief from double taxation. It also has specific measures which combat discriminatory tax treatment and provide for assistance in international tax enforcement.

The Protocol continues this approach. Article 10 of the 1998 Agreement is amended to provide for exemption from taxation of dividends in the circumstances set out in the amending provisions. Article 12 is replaced, and provides that royalties earned in the country of one treaty partner may be taxed in another. The newly inserted Article 27A provides rules under which the two countries may provide assistance to each other in the collection of their taxes. There are also other minor amendments to the 1998 Agreement.

Article 1 provides for citation.

Article 2 makes a declaration as to the effect and content of the arrangements set out in the Protocol.

The Protocol will enter into force on the date of the later of the notifications by each country of the completion of its legislative procedures. It shall have immediate effect, except for taxes withheld at source, for which it shall have effect in respect of amounts paid on or after January 1st next following the date of entry into force of the Protocol.

The date of entry into force will, in due course, be published in the *London, Edinburgh and Belfast Gazettes*.

An Impact Assessment has not been produced for this instrument as it has a negligible impact on business, charities or voluntary bodies.