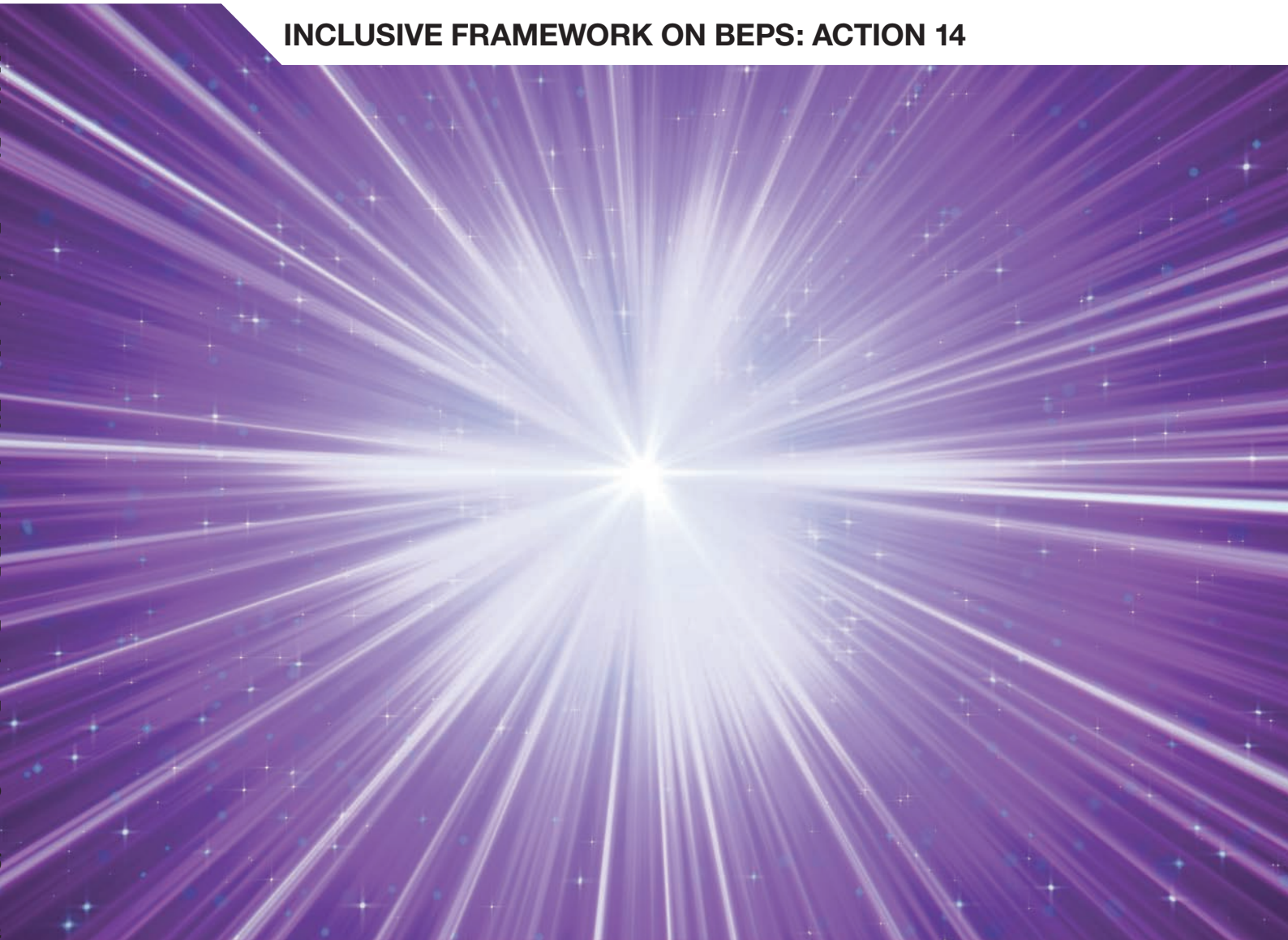


**OECD/G20 Base Erosion and Profit Shifting  
Project**



# **Making Dispute Resolution More Effective – MAP Peer Review Report, Oman (Stage 1)**

**INCLUSIVE FRAMEWORK ON BEPS: ACTION 14**





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## *Foreword*

The integration of national economies and markets has increased substantially in recent years, putting a strain on the international tax rules, which were designed more than a century ago. Weaknesses in the current rules create opportunities for base erosion and profit shifting (BEPS), requiring bold moves by policy makers to restore confidence in the system and ensure that profits are taxed where economic activities take place and value is created.

Following the release of the report *Addressing Base Erosion and Profit Shifting* in February 2013, OECD and G20 countries adopted a 15-point Action Plan to address BEPS in September 2013. The Action Plan identified 15 actions along three key pillars: introducing coherence in the domestic rules that affect cross-border activities, reinforcing substance requirements in the existing international standards, and improving transparency as well as certainty.

After two years of work, measures in response to the 15 actions were delivered to G20 Leaders in Antalya in November 2015. All the different outputs, including those delivered in an interim form in 2014, were consolidated into a comprehensive package. The BEPS package of measures represents the first substantial renovation of the international tax rules in almost a century. Once the new measures become applicable, it is expected that profits will be reported where the economic activities that generate them are carried out and where value is created. BEPS planning strategies that rely on outdated rules or on poorly co-ordinated domestic measures will be rendered ineffective.

Implementation is now the focus of this work. The BEPS package is designed to be implemented via changes in domestic law and practices, and in tax treaties. With the negotiation of a multilateral instrument (MLI) having been finalised in 2016 to facilitate the implementation of the treaty related BEPS measures, over 90 jurisdictions are covered by the MLI. The entry into force of the MLI on 1 July 2018 paves the way for swift implementation of the treaty related measures. OECD and G20 countries also agreed to continue to work together to ensure a consistent and co-ordinated implementation of the BEPS recommendations and to make the project more inclusive. Globalisation requires that global solutions and a global dialogue be established which go beyond OECD and G20 countries.

A better understanding of how the BEPS recommendations are implemented in practice could reduce misunderstandings and disputes between governments. Greater focus on implementation and tax administration should therefore be mutually beneficial to governments and business. Proposed improvements to data and analysis will help support ongoing evaluation of the quantitative impact of BEPS, as well as evaluating the impact of the countermeasures developed under the BEPS Project.

As a result, the OECD established the OECD/G20 Inclusive Framework on BEPS (Inclusive Framework), bringing all interested and committed countries and jurisdictions on an equal footing in the Committee on Fiscal Affairs and all its subsidiary bodies. The

Inclusive Framework, which already has more than 135 members, is monitoring and peer reviewing the implementation of the minimum standards as well as completing the work on standard setting to address BEPS issues. In addition to BEPS members, other international organisations and regional tax bodies are involved in the work of the Inclusive Framework, which also consults business and the civil society on its different work streams.

This report was approved by the Inclusive Framework on 28 October 2020 and prepared for publication by the OECD Secretariat.

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*Abbreviations and acronyms*

<b>APA</b>	Advance Pricing Arrangement
<b>BEPS</b>	Base Erosion and Profit Shifting
<b>FTA</b>	Forum on Tax Administration
<b>MAP</b>	Mutual Agreement Procedure
<b>OECD</b>	Organisation for Economic Co-operation and Development



## Executive summary

Oman has a modest tax treaty network with over 30 tax treaties. Oman has no experience with resolving MAP cases, as it has not been involved in any cases. Overall Oman meets the majority of the elements of the Action 14 Minimum Standard. Where it has deficiencies, Oman is working to address them.

All of Oman's tax treaties contain a provision relating to MAP. Those treaties mostly follow paragraphs 1 through 3 of Article 25 of the OECD Model Tax Convention (OECD, 2017). Its treaty network is mostly consistent with the requirements of the Action 14 Minimum Standard, except mainly for the fact that:

- Approximately 35% of its tax treaties do not contain the equivalent of Article 25(1), second sentence, of the OECD Model Tax Convention (OECD, 2017), as the timeline to file a MAP request is shorter than three years from the first notification of the action resulting in taxation not in accordance with the provision of the tax treaty
- Almost 20% of its tax treaties neither contain a provision stating that mutual agreements shall be implemented notwithstanding any time limits in domestic law (which is required under Article 25(2), second sentence), nor the alternative provisions for Article 9(1) and Article 7(2) to set a time limit for making transfer pricing adjustments
- Approximately 40% of its tax treaties do not contain the equivalent of Article 25(3), second sentence of the OECD Model Tax Convention (OECD, 2017) stating that the competent authorities may consult together for the elimination of double taxation for cases not provided for in the tax treaty.

In order to be fully compliant with all four key areas of an effective dispute resolution mechanism under the Action 14 Minimum Standard, Oman needs to amend and update a certain number of its tax treaties. In this respect, Oman signed and ratified the Multilateral Instrument. Through this instrument a number of its relevant tax treaties have been or will be modified to fulfil the requirements under the Action 14 Minimum Standard. Where treaties will not be modified, upon entry into force of the Multilateral Instrument for the treaties concerned, Oman reported that it intends to update all of its tax treaties via bilateral negotiations to be compliant with the requirements under the Action 14 Minimum Standard. However, it has not yet put in place a plan in relation hereto although it is developing such a plan in order to bring all of its treaties in line with this standard.

As Oman has no bilateral APA programme in place, there are no further elements to assess regarding the prevention of disputes.

Oman meets some of the requirements regarding the availability and access to MAP under the Action 14 Minimum Standard. It provides access to MAP in all eligible cases, although it has since 1 January 2017 not received any MAP request from a taxpayer. Furthermore, Oman does not have in place a documented bilateral consultation or notification process for those

situations in which its competent authority considers the objection raised by taxpayers in a MAP request as not justified. Oman also has no guidance on the availability of MAP and how it applies this procedure in practice, although it indicated that it is planning to publish rules, guidelines and procedures on access to and the use of MAP in Oman, including the specific information and documentation that should be submitted in a MAP request.

Furthermore, Oman has not been involved in any MAP cases since 1 January 2017, but it meets in principle all the requirements under the Action 14 Minimum Standard in relation to the resolution of MAP cases. Oman's competent authority operates fully independently from the audit function of the tax authorities. Its organisation is adequate and the performance indicators used are appropriate to perform the MAP function.

As there were no MAP agreements reached that required implementation since 1 January 2017, it was not yet possible to assess whether Oman meets the Action 14 Minimum Standard as regards the implementation of MAP agreements.

## *Introduction*

### **Available mechanisms in Oman to resolve tax treaty-related disputes**

Oman has entered into 37 tax treaties on income (and/or capital), 35 of which are in force.<sup>1</sup> These 37 treaties are being applied to 37 jurisdictions. All of these treaties provide for a mutual agreement procedure for resolving disputes on the interpretation and application of the provisions of the tax treaty. None of these treaties include an arbitration procedure as a final stage to the MAP process.

Under the tax treaties that Oman has entered into, the competent authority function is generally assigned to the Ministry of Finance or its authorised representative. Accordingly, this function is delegated to the tax agreements department within Oman’s Tax Authority and which is competent to handle both attribution/allocation cases as well as other cases. The tax agreements department comprises a total of 5 staff members that are responsible for MAP cases along with other tasks such as negotiation of tax treaties, tax treaty policy and exchange of information. However, there are no specialised resources for MAP to date since Oman is yet to receive MAP requests.

Oman reported that guidance on the governance and administration of the mutual agreement procedure (“MAP”) has been drafted and will be approved and published in English on the website of Oman’s Tax Authority as soon as possible.

### **Recent developments in Oman**

Oman recently signed new treaties with the Slovak Republic (2018) and Sri Lanka (2018), out of which only the treaty with Sri Lanka has entered into force.

Furthermore, on 26 November 2019, Oman signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (“**Multilateral Instrument**”), to adopt, where necessary, modifications to the MAP article under its tax treaties with a view to be compliant with the Action 14 Minimum Standard in respect of all the relevant tax treaties. Oman deposited its instrument of ratification of this instrument on 7 July 2020, following which the Multilateral Instrument for Oman entered into force on 1 November 2020. With the depositing of the instrument of ratification, Oman also submitted its list of notifications and reservations to that instrument.<sup>2</sup> In relation to the Action 14 Minimum Standard, Oman has not made any reservations pursuant to Article 16 of the Multilateral Instrument (concerning the mutual agreement procedure).

Where treaties will not be modified by the Multilateral Instrument, Oman reported that it strives updating them through future bilateral negotiations. In this respect, Oman indicated that it is currently working on a plan, prioritising jurisdictions with which Oman has most commercial relations and trading balance. Oman reported that in general terms,

its plan would be to immediately start correspondence with all concerned treaty partners to start negotiations on protocols to such tax treaties.

### Basis for the peer review process

The peer review process entails an evaluation of Oman’s implementation of the Action 14 Minimum Standard through an analysis of its legal and administrative framework relating to the mutual agreement procedure, as governed by its tax treaties, domestic legislation and regulations, as well as its MAP programme guidance (if any) and the practical application of that framework. The review process performed is desk-based and conducted through specific questionnaires completed by Oman, its peers and taxpayers. The questionnaires for the peer review process were sent to Oman and the peers on 20 December 2019.

The period for evaluating Oman’s implementation of the Action 14 Minimum Standard ranges from 1 January 2017 to 31 December 2019 (“**Review Period**”). Furthermore, this report may depict some recent developments that have occurred after the Review Period, which at this stage will not impact the assessment of Oman’s implementation of this minimum standard. In the update of this report, being stage 2 of the peer review process, these recent developments will be taken into account in the assessment and, if necessary, the conclusions contained in this report will be amended accordingly.

For the purpose of this report and the statistics below, in assessing whether Oman is compliant with the elements of the Action 14 Minimum Standard that relate to a specific treaty provision, the newly negotiated treaties or the treaties as modified by a protocol, as described above, were taken into account, even if it concerned a modification or a replacement of an existing treaty. Reference is made to Annex A for the overview of Oman’s tax treaties regarding the mutual agreement procedure.

In total four peers provided input: Germany, Singapore, Switzerland and Turkey. These peer did not have MAP cases with Oman that started on or after 1 January 2017. Their inputs only related to the treaty provisions, not to experiences in handling and resolving MAP cases.

Oman provided extensive answers in its questionnaire, which was submitted on time. Oman was very responsive in the course of the drafting of the peer review report by responding timely and comprehensively to requests for additional information, and provided further clarity where necessary. In addition, Oman provided the following information:

- MAP profile<sup>3</sup>
- MAP statistics<sup>4</sup> according to the MAP Statistics Reporting Framework (see below).

Finally, Oman is a member of the FTA MAP Forum and has shown good co-operation during the peer review process.

### Overview of MAP caseload in Oman

Oman has not been involved in any MAP cases during the Review Period.

## General outline of the peer review report

This report includes an evaluation of Oman’s implementation of the Action 14 Minimum Standard. The report comprises the following four sections:

- A. Preventing disputes
- B. Availability and access to MAP
- C. Resolution of MAP cases
- D. Implementation of MAP agreements.

Each of these sections is divided into elements of the Action 14 Minimum Standard, as described in the terms of reference to monitor and review the implementing of the BEPS Action 14 Minimum Standard to make dispute resolution mechanisms more effective (“**Terms of Reference**”).<sup>5</sup> Apart from analysing Oman’s legal framework and its administrative practice, the report also incorporates peer input. Furthermore, the report depicts the changes adopted and plans shared by Oman to implement elements of the Action 14 Minimum Standard where relevant. The conclusion of each element identifies areas for improvement (if any) and provides for recommendations how the specific area for improvement should be addressed.

The objective of the Action 14 Minimum Standard is to make dispute resolution mechanisms more effective and concerns a continuous effort. Therefore, this peer review report includes recommendations that Oman continues to act in accordance with a given element of the Action 14 Minimum Standard, even if there is no area for improvement for this specific element.

## Notes

1. The tax treaties Oman has entered into are available at: <https://tms.taxoman.gov.om/portal/web/taxportal/double-tax-agreements>. The treaties that are signed but have not yet entered into force are with Belgium and the Slovak Republic. Reference is made to Annex A for an overview of Oman’s tax treaties.
2. Available at: [www.oecd.org/tax/treaties/beps-mli-position-oman-instrument-deposit.pdf](http://www.oecd.org/tax/treaties/beps-mli-position-oman-instrument-deposit.pdf).
3. Available at <https://www.oecd.org/tax/dispute/Oman-Dispute-Resolution-Profile.pdf>.
4. The MAP statistics of Oman are included in Annex B and C of this report.
5. Terms of reference to monitor and review the implementing of the BEPS Action 14 Minimum Standard to make dispute resolution mechanisms more effective. Available at: [www.oecd.org/tax/beps/beps-action-14-on-more-effective-dispute-resolution-peer-review-documents.pdf](http://www.oecd.org/tax/beps/beps-action-14-on-more-effective-dispute-resolution-peer-review-documents.pdf).





## *Part A*

### Preventing disputes

#### [A.1] Include Article 25(3), first sentence, of the OECD Model Tax Convention in tax treaties

Jurisdictions should ensure that their tax treaties contain a provision which requires the competent authority of their jurisdiction to endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of their tax treaties.

1. Cases may arise concerning the interpretation or the application of tax treaties that do not necessarily relate to individual cases, but are more of a general nature. Inclusion of the first sentence of Article 25(3) of the OECD Model Tax Convention (OECD, 2017) in tax treaties invites and authorises competent authorities to solve these cases, which may avoid submission of MAP requests and/or future disputes from arising, and which may reinforce the consistent bilateral application of tax treaties.

#### *Current situation of Oman's tax treaties*

2. All of Oman's 37 tax treaties contain a provision equivalent to Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017) requiring their competent authority to endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the tax treaty.

3. Oman reported that it is willing to enter into MAP agreements of a general nature even where the applicable treaty would not contain a provision equivalent to Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017).

#### *Anticipated modifications*

##### *Bilateral modifications*

4. Oman reported it will seek to include Article 25(3), first sentence, of the OECD Model Tax Convention (OECD, 2017) in all of its future tax treaties.

#### *Conclusion*

	Areas for Improvement	Recommendations
[A.1]	-	Oman should maintain its stated intention to include the required provision in all future tax treaties.

**[A.2] Provide roll-back of bilateral APAs in appropriate cases**

Jurisdictions with bilateral advance pricing arrangement (“APA”) programmes should provide for the roll-back of APAs in appropriate cases, subject to the applicable time limits (such as statutes of limitation for assessment) where the relevant facts and circumstances in the earlier tax years are the same and subject to the verification of these facts and circumstances on audit.

5. An APA is an arrangement that determines, in advance of controlled transactions, an appropriate set of criteria (e.g. method, comparables and appropriate adjustment thereto, critical assumptions as to future events) for the determination of the transfer pricing for those transactions over a fixed period of time.<sup>1</sup> The methodology to be applied prospectively under a bilateral or multilateral APA may be relevant in determining the treatment of comparable controlled transactions in previous filed years. The “roll-back” of an APA to these previous filed years may be helpful to prevent or resolve potential transfer pricing disputes.

***Oman’s APA programme***

6. Oman reported it does not have a bilateral APA programme.

***Roll-back of bilateral APAs***

7. Since Oman does not have an APA programme in place, there is no possibility for providing roll-back of bilateral APAs to previous years.

***Practical application of roll-back of bilateral APAs***

8. Oman reported not having received any requests for a bilateral APA since 1 January 2017, and accordingly, there was no possibility for roll-back.

9. All peers that provided input indicated not having received any request from a taxpayer asking for a bilateral APA or the roll-back of such an APA involving Oman, which conforms to the above analysis.

***Anticipated modifications***

10. Oman indicated that it does not anticipate any modifications in relation to element A.2.

***Conclusion***

	Areas for Improvement	Recommendations
[A.2]	-	-

**Note**

1. This description of an APA based on the definition of an APA in the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

## *References*

OECD (2017a), *Model Tax Convention on Income and on Capital 2017 (Full Version)*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/g2g972ee-en>.

OECD (2017b), *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2017*, <https://dx.doi.org/10.1787/tpg-2017-en>.



## *Part B*

### **Availability and access to MAP**

#### **[B.1] Include Article 25(1) of the OECD Model Tax Convention in tax treaties**

Jurisdictions should ensure that their tax treaties contain a MAP provision which provides that when the taxpayer considers that the actions of one or both of the Contracting Parties result or will result for the taxpayer in taxation not in accordance with the provisions of the tax treaty, the taxpayer, may irrespective of the remedies provided by the domestic law of those Contracting Parties, make a request for MAP assistance, and that the taxpayer can present the request within a period of no less than three years from the first notification of the action resulting in taxation not in accordance with the provisions of the tax treaty.

11. For resolving cases of taxation not in accordance with the provisions of the tax treaty, it is necessary that tax treaties include a provision allowing taxpayers to request a mutual agreement procedure and that this procedure can be requested irrespective of the remedies provided by the domestic law of the treaty partners. In addition, to provide certainty to taxpayers and competent authorities on the availability of the mutual agreement procedure, a minimum period of three years for submission of a MAP request, beginning on the date of the first notification of the action resulting in taxation not in accordance with the provisions of the tax treaty, is the baseline.

#### ***Current situation of Oman’s tax treaties***

##### *Inclusion of Article 25(1), first sentence of the OECD Model Tax Convention*

12. None of Oman’s 37 tax treaties contain a provision equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2017), as amended by the Action 14 final report (OECD, 2015b) and allowing taxpayers to submit a MAP request to the competent authority of either state when they consider that the actions of one or both of the treaty partners result or will result for the taxpayer in taxation not in accordance with the provisions of the tax treaty and that can be requested irrespective of the remedies provided by domestic law of either state. In addition, 25 of Oman’s tax treaties contain a provision equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a) as it read prior to the adoption of the Action 14 final report (OECD, 2015b), allowing taxpayers to submit a MAP request to the competent authority of the state in which they are resident.

13. The remaining 12 treaties can be categorised as follows:

Provision	Number of tax treaties
A variation of Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a) as it read prior to the adoption of the Action 14 final report (OECD, 2015b), whereby taxpayers can only submit a MAP request to the competent authority of the contracting state of which they are resident.	11
A variation of Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a) as it read prior to the adoption of the Action 14 final report (OECD, 2015b), whereby the taxpayer can submit a MAP request irrespective of domestic available remedies, but whereby pursuant to a protocol provision the taxpayer is also required to initiate these remedies when submitting a MAP request.	1

14. The 11 treaties in the first row of the table mentioned above are considered not to have the full equivalent of Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a) as it read prior to the adoption of the Action 14 final report (OECD, 2015b), since taxpayers are not allowed to submit a MAP request in the state of which they are a national where the case comes under the non-discrimination article. However, for the following reasons all of these treaties are considered to be in line with this part of element B.1:

- The relevant tax treaty does not contain a non-discrimination provision and only applies to residents of one of the states (five treaties).
- The non-discrimination provision of the relevant tax treaty only covers nationals that are resident of one of the contracting states. Therefore, it is logical to allow only for the submission of MAP requests to the state of which the taxpayer is a resident (six treaties).

15. The remaining treaty mentioned in the second row of the table above allows taxpayers to submit a MAP request irrespective of domestic available remedies. However, the protocol to this treaty limits such submission, as it requires that a domestic remedy should first be initiated before a case can be dealt with in MAP. Furthermore, with respect to the one treaty included in the second row of the table above, the provision incorporated in the protocol to this treaty reads:

With reference to Article 25 (Mutual agreement procedure) of the Convention, an adjustment of taxes pursuant to that Article may be made only prior to the final determination of such taxes. It is further understood that the preceding sentence means that invoking the mutual agreement procedure does not relieve the taxpayer of the obligation to initiate the procedures of domestic law for resolving tax disputes.

16. As pursuant to this provision a domestic procedure has to be initiated concomitantly to the initiation of the mutual agreement procedure, a MAP request can in practice thus not be submitted irrespective of the remedies provided by the domestic law. This tax treaty is therefore considered not to be in line with this part of element B.1.

#### *Inclusion of Article 25(1), second sentence of the OECD Model Tax Convention*

17. Out of Oman's 37 tax treaties, 21 contain a provision equivalent to Article 25(1), second sentence, of the OECD Model Tax Convention (OECD, 2017) allowing taxpayers to submit a MAP request within a period of no less than three years from the first notification of the action resulting in taxation not in accordance with the provisions of the particular tax treaty.

18. The remaining 16 tax treaties that do not contain such provision can be categorised as follows:

Provision	Number of tax treaties
No filing period for a MAP request	1
Filing period less than 3 years for a MAP request (2 years)	15

### ***Practical application***

#### *Article 25(1), first sentence, of the OECD Model Tax Convention*

19. As indicated in paragraphs 12 to 16 above, all but one of Oman’s tax treaties allow taxpayers to file a MAP request irrespective of domestic remedies. Oman reported that submitting a MAP request does not deprive taxpayers from other remedies available under their respective domestic tax law. Oman further clarified that access to MAP would not be denied on the grounds that the taxpayer has pursued domestic remedies. However, Oman reported that its competent authority cannot deviate from court decisions rendered in Oman. This is clarified in Chapter 2.6 of Oman’s draft MAP guidance titled “Interaction with domestic remedies”.

#### *Article 25(1), second sentence, of the OECD Model Tax Convention*

20. Oman reported that, if the tax treaty does not contain a filing period for MAP requests, its competent authority will follow the time limit provided for in Article 25(1), second sentence, of the OECD Model Tax Convention (OECD, 2017), namely three years as from the first notification of the action resulting in taxation not in accordance with the provisions of the tax treaty.

### ***Anticipated modifications***

#### *Multilateral Instrument*

#### *Article 25(1), first sentence of the OECD Model Tax Convention*

21. Oman signed the Multilateral Instrument and has deposited its instrument of ratification on 7 July 2020. The Multilateral Instrument has entered into force for Oman on 1 November 2020.

22. Article 16(4)(a)(i) of that instrument stipulates that Article 16(1), first sentence – containing the equivalent of Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2017), as amended by the Action 14 final report and allowing the submission of MAP requests to the competent authority of either contracting state – will apply in place of or in the absence of a provision in tax treaties that is equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a), as it read prior to the adoption of the Action 14 final report (OECD, 2015b). However, this shall only apply if both contracting parties to the applicable tax treaty have listed this tax treaty as a covered tax agreement under the Multilateral Instrument and insofar as both notified the depositary, pursuant to Article 16(6)(a), that this treaty contains the equivalent of Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a), as it read prior to the adoption of the Action 14 final report (OECD, 2015b). Article 16(4)(a)(i) will for a tax treaty not take effect if one of the treaty partners has, pursuant to Article 16(5)(a),

reserved the right not to apply the first sentence of Article 16(1) of that instrument to all of its covered tax agreements.

23. With the depositing of its instrument of ratification of the Multilateral Instrument, Oman opted, pursuant to Article 16(4)(a)(i) of that instrument, to introduce in all of its tax treaties a provision that is equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2017), as amended by the Action 14 final report (OECD, 2015b), allowing taxpayers to submit a MAP request to the competent authority of either contracting state. In other words, where under Oman's tax treaties taxpayers currently have to submit a MAP request to the competent authority of the contracting state of which they are resident, Oman opted to modify these treaties allowing taxpayers to submit a MAP request to the competent authority of either contracting state. In this respect, Oman listed 35 of its 37 treaties as a covered tax agreement under the Multilateral Instrument and made for all, on the basis of Article 16(6)(a), a notification that they contain a provision that is equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a), as it read prior to the adoption of the Action 14 final report (OECD, 2015b).

24. In total, 13 of the 35 relevant treaty partners are not a signatory to the Multilateral Instrument, whereas six have not listed their treaty with Oman as a covered tax agreement under that instrument and seven reserved, pursuant to Article 16(5)(a), the right not to apply the first sentence of Article 16(1) to its existing tax treaties, with a view to allow taxpayers to submit a MAP request to the competent authority of either contracting state. Eight of the remaining nine treaty partners listed their treaty with Oman as having a provision that is equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a), as it read prior to the adoption of the Action 14 final report (OECD, 2015b).

25. Of these eight treaty partners, five already deposited their instrument of ratification of the Multilateral Instrument, following which the Multilateral Instrument has entered into force for the treaties between Oman and these treaty partners, and therefore has modified these treaties to include the equivalent of Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2017) as amended by the Action 14 final report (OECD, 2015b). For the remaining three treaties, the instrument will, upon entry into force for these treaties, modify them to include the equivalent of this provision.

26. Furthermore, for the remaining treaty for which the treaty partner did not make a notification on the basis of Article 16(6)(a), the Multilateral Instrument will only supersede this treaty to the extent that the provisions contained therein are incompatible with the first sentence of Article 16(1). Since the provision of the covered tax agreement does not contain the equivalent of Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2017) as amended by the Action 14 final report (OECD, 2015b), it is considered to be incompatible with the first sentence of Article 16(1). Therefore, at this stage the Multilateral Instrument will, upon entry into force, supersede this treaty to include the equivalent of Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2017) as amended by the Action 14 final report (OECD, 2015b).

27. However, the treaty identified above that is considered not to contain the equivalent of Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a), as it read prior to the adoption of the Action 14 final report (OECD, 2015b) is not part of the eight treaties that will be modified or superseded by the Multilateral Instrument.



### Article 25(1), second sentence of the OECD Model Tax Convention

28. With respect to the period of filing of a MAP request, Article 16(4)(a)(ii) of the Multilateral Instrument stipulates that Article 16(1), second sentence – containing the equivalent of Article 25(1), second sentence, of the OECD Model Tax Convention (OECD, 2017) – will apply where such period is shorter than three years from the first notification of the action resulting in taxation not in accordance with the provisions of a tax treaty. However, this shall only apply if both contracting parties to the applicable tax treaty have listed this treaty as a covered tax agreement under the Multilateral Instrument and insofar as both notified, pursuant to Article 16(6)(b)(i), the depositary that this treaty does not contain the equivalent of Article 25(1), second sentence, of the OECD Model Tax Convention (OECD, 2017).

29. With regard to the 15 tax treaties identified in paragraph 18 above that contain a filing period for MAP requests of less than three years, Oman listed all of them as a covered tax agreement under the Multilateral Instrument and made for all, pursuant to Article 16(6)(b)(i), a notification that they do not contain a provision described in Article 16(4)(a)(ii). Of these 15 treaty partners, seven are not a signatory to the Multilateral Instrument, whereas two did not list its treaty with Oman as a covered tax agreement under that instrument. The remaining six tax treaty partners also made such notification.

30. Of these six treaty partners, three already deposited their instrument of ratification of the Multilateral Instrument, following which the Multilateral Instrument has entered into force for the treaties between Oman and these treaty partners, and therefore has modified these treaties to include the equivalent of Article 25(1), second sentence, of the OECD Model Tax Convention (OECD, 2017). For the remaining three treaties, the instrument will, upon entry into force for these treaties, modify them to include the equivalent of this provision.

### *Bilateral modifications*

31. In respect of the tax treaties that do not contain the equivalent of Article 25(1) of the OECD Model Tax Convention (OECD, 2015a), as it read prior to the adoption of the Action 14 final report (OECD, 2015b), and that will not be modified by the Multilateral Instrument, Oman further reported that it intends to amend them via bilateral negotiations with a view to make them compliant with element B.1. Oman indicated that it is currently working on a plan, prioritizing jurisdictions with which it has most commercial relations and trading balance.

32. In addition, Oman reported it will seek to include Article 25(1) of the OECD Model Tax Convention (OECD, 2017), as amended by the Action 14 final report (OECD, 2015b), in all of its future tax treaties.

### *Peer input*

33. Almost all peers that provided input confirmed that their treaty with Oman meets the requirements under this element of the Action 14 Minimum Standard.

34. For the one treaty identified that does not contain the equivalent of Article 25(1), first sentence of the OECD Model Tax Convention (OECD, 2015a), either as it read prior to the adoption of the Action 14 final report or as amended by that report (OECD, 2015b), the relevant peer did not provide input. For the 15 treaties identified that do not contain the equivalent of Article 25(1), second sentence of the OECD Model Tax Convention (OECD,

2017), one peer provided input. This peer noted that since it had signed and ratified the Multilateral Instrument and Oman had signed the Multilateral Instrument and since both parties had listed the concerned treaty as a covered tax agreement and notified such treaty under Article 16(6)(b)(i), its treaty with Oman would be modified to be in line with element B.1.

### Conclusion

	Areas for Improvement	Recommendations
	<p>One out of 37 tax treaties does not contain a provision that is equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a) as it read prior to the adoption of the Action 14 final report (OECD, 2015b), or as amended by that final report, and also the timeline to submit a MAP request is less than three years as from the first notification of the action resulting in taxation not in accordance with the provision of the tax treaty. This treaty will not be modified by the Multilateral Instrument to include the required provision.</p>	<p>As this treaty will not be modified by the Multilateral Instrument to include the equivalent of Article 25(1), first and second sentence, of the OECD Model Tax Convention (OECD, 2017), Oman should request the inclusion of the required provision via bilateral negotiations.</p> <p>This concerns a provision that is equivalent to Article 25(1), first and second sentence, of the OECD Model Tax Convention either:</p> <ol style="list-style-type: none"> <li>as amended by the Action 14 final report (OECD, 2015b), or</li> <li>as it read prior to the adoption of the Action 14 final report (OECD, 2015b), thereby including the full sentence of such provision.</li> </ol> <p>To this end, Oman should follow its stated intention to put a plan in place on how it envisages updating this treaty to include the required provision.</p>
[B.1]	<p>14 out of 37 tax treaties do not contain the equivalent of Article 25(1), second sentence, of the OECD Model Tax Convention (OECD, 2017), as the timeline to file a MAP request is shorter than three years from the first notification of the action resulting in taxation not in accordance with the provision of the tax treaty. Only five out of these 14 treaties are expected to be modified by the Multilateral Instrument to include such equivalent upon entry into force for this treaty. Out of these 14 treaties:</p> <ul style="list-style-type: none"> <li>• Three have been modified by the Multilateral Instrument to include the required provision.</li> <li>• Three are expected to be modified by the Multilateral Instrument to include the required provision.</li> <li>• Eight will not be modified by the Multilateral Instrument to include the required provision.</li> </ul>	<p>As the remaining eight treaties will not be modified by the Multilateral Instrument to include the equivalent to Article 25(1), second sentence of the OECD Model Tax Convention (OECD, 2017) in the treaties that currently do not contain such equivalent, Oman should request the inclusion of the required provision via bilateral negotiations. With regard to the one treaty among these eight treaties that was recently signed but not is force as yet, Oman should enter into bilateral negotiations with the concerned treaty partner to make this treaty in line with element B.1.</p> <p>To this end, Oman should follow its stated intention to put a plan in place on how it envisages updating these treaties to include the required provision.</p>
		<p>In addition, Oman should maintain its stated intention to include Article 25(1) of the OECD Model Tax Convention (OECD, 2017) as amended by the Action 14 final report (OECD, 2015b) in all future tax treaties.</p>

**[B.2] Allow submission of MAP requests to the competent authority of either treaty partner, or, alternatively, introduce a bilateral consultation or notification process**

Jurisdictions should ensure that either (i) their tax treaties contain a provision which provides that the taxpayer can make a request for MAP assistance to the competent authority of either Contracting Party, or (ii) where the treaty does not permit a MAP request to be made to either Contracting Party and the competent authority who received the MAP request from the taxpayer does not consider the taxpayer's objection to be justified, the competent authority should implement a bilateral consultation or notification process which allows the other competent authority to provide its views on the case (such consultation shall not be interpreted as consultation as to how to resolve the case).

35. In order to ensure that all competent authorities concerned are aware of MAP requests submitted, for a proper consideration of the request by them and to ensure that taxpayers have effective access to MAP in eligible cases, it is essential that all tax treaties contain a provision that either allows taxpayers to submit a MAP request to the competent authority:

- i. of either treaty partner; or, in the absence of such provision,
- ii. where it is a resident, or to the competent authority of the state of which they are a national if their cases come under the non-discrimination article. In such cases, jurisdictions should have in place a bilateral consultation or notification process where a competent authority considers the objection raised by the taxpayer in a MAP request as being not justified.

***Domestic bilateral consultation or notification process in place***

36. As discussed under element B.1, out of Oman's 37 treaties, none currently contain a provision equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2017), as amended by the Action 14 final report (OECD, 2015b), allowing taxpayers to submit a MAP request to the competent authority of either treaty partner. However, as was also discussed under element B.1, nine of these 37 treaties has been or will be modified or superseded by the Multilateral Instrument to allow taxpayers to submit a MAP request to the competent authority of either treaty partner.

37. Oman reported that it has not introduced a bilateral consultation or notification process that allows the other competent authority concerned to provide its views on the case when Oman's competent authority considers the objection raised in the MAP request not to be justified.

***Practical application***

38. Oman reported that since 1 January 2017 its competent authority has not received any MAP requests. Therefore, there were no cases where it was decided that the objection raised by taxpayers in such request was not justified.

39. All peers that provided input indicated not being aware of any cases for which Oman's competent authority considered the objection raised in a MAP request as not justified. They also reported not having been consulted/notified in such cases, which can be explained because no such cases occurred since this date.

### *Anticipated modifications*

40. Oman indicated that it will introduce a bilateral consultation or notification process for those situations where its competent authority considers an objection raised in a MAP request as being not justified.

### *Conclusion*

	Areas for Improvement	Recommendations
[B.2]	None of the 37 treaties contain a provision equivalent to Article 25(1) of the OECD Model Tax Convention (OECD, 2017), as amended by the Action 14 final report (OECD, 2015b), allowing taxpayers to submit a MAP request to the competent authority of either treaty partners. For these treaties no documented bilateral consultation or notification process is in place, which allows the other competent authority concerned to provide its views on the case when the taxpayer's objection raised in the MAP request is considered not to be justified.	Oman should without further delay follow its stated intention to introduce a documented notification and/or consultation process and provide in that document rules of procedure on how that process should be applied in practice, including the steps to be followed and timing of these steps. Furthermore, Oman should apply that process in practice for cases in which its competent authority considered the objection raised in a MAP request not to be justified and when the tax treaty concerned does not contain Article 25(1) of the OECD Model Tax Convention (OECD, 2017), as amended by the Action 14 final report (OECD, 2015b).

### **[B.3] Provide access to MAP in transfer pricing cases**

Jurisdictions should provide access to MAP in transfer pricing cases.

41. Where two or more tax administrations take different positions on what constitutes arm's length conditions for specific transactions between associated enterprises, economic double taxation may occur. Not granting access to MAP with respect to a treaty partner's transfer pricing adjustment, with a view to eliminating the economic double taxation that may arise from such adjustment, will likely frustrate the main objective of tax treaties. Jurisdictions should thus provide access to MAP in transfer pricing cases.

### *Legal and administrative framework*

42. Out of Oman's 37 tax treaties, 20 contain a provision equivalent to Article 9(2) of the OECD Model Tax Convention (OECD, 2017) requiring their state to make a correlative adjustment in case a transfer pricing adjustment is imposed by the treaty partner. One tax treaty does not contain in its entirety a provision that is based on Article 9 of the OECD Model Tax Convention (OECD, 2017) with regard to associated enterprises. Furthermore, three tax treaties do not contain a provision that is based on or equivalent to Article 9(2) of the OECD Model Tax Convention (OECD, 2017). The remaining 13 treaties contain a provision that is based on Article 9(2) of the OECD Model Tax Convention (OECD, 2017), but deviate from this provision for the following reasons:

- Four treaties contain a provision that is based on Article 9(2) of the OECD Model Tax Convention (OECD, 2017), but the granting of a corresponding adjustment could be read as only optional as the word "shall" is replaced by "may".
- Nine treaties contain a provision that is based on Article 9(2) of the OECD Model Tax Convention (OECD, 2017), but is considered not being equivalent thereof as it stipulates that a corresponding adjustment can only be made through an agreement or consultation between the competent authorities.

43. Access to MAP should be provided in transfer pricing cases regardless of whether the equivalent of Article 9(2) is contained in Oman’s tax treaties and irrespective of whether its domestic legislation enables the granting of corresponding adjustments. In accordance with element B.3, as translated from the Action 14 Minimum Standard, Oman indicated that it will always provide access to MAP for transfer pricing cases and is willing to make corresponding adjustments, regardless of whether the equivalent of Article 9(2) of the OECD Model Tax Convention (OECD, 2017) is contained in its tax treaties.

44. Since Oman has no published MAP guidance to date, there is no publicly available information on access to MAP in transfer pricing cases. However, its draft guidance clarifies that access to MAP will be provided in transfer pricing cases.

### *Application of legal and administrative framework in practice*

45. Oman reported that since 1 January 2017, it has not denied access to MAP on the basis that the case concerned a transfer pricing case. However, no MAP cases were received during this period.

46. All peers that provided input indicated not being aware of a denial of access to MAP by Oman since 1 January 2017 on the basis that the case concerned was a transfer pricing case.

### *Anticipated modifications*

47. Oman reported that it is in favour of including Article 9(2) of the OECD Model Tax Convention (OECD, 2017) in its tax treaties where possible and that it will seek to include this provision in all of its future tax treaties. In that regard, Oman signed the Multilateral Instrument and deposited its instrument of ratification on 7 July 2020. Article 17(2) of that instrument stipulates that Article 17(1) – containing the equivalent of Article 9(2) of the OECD Model Tax Convention (OECD, 2017) – will apply in place of or in the absence of a provision in tax treaties that is equivalent to Article 9(2) of the OECD Model Tax Convention (OECD, 2017). However, this shall only apply if both contracting parties to the applicable tax treaty have listed this treaty as a covered tax agreement under the Multilateral Instrument. Article 17(2) of the Multilateral Instrument does not take effect for a tax treaty if one or both of the treaty partners have, pursuant to Article 17(3), reserved the right not to apply Article 17(1) for those tax treaties that already contain the equivalent of Article 9(2) of the OECD Model Tax Convention (OECD, 2017), or not to apply Article 17(1) in the absence of such equivalent under the condition that: (i) it shall make appropriate corresponding adjustments or (ii) its competent authority shall endeavour to resolve the case under mutual agreement procedure of the applicable tax treaty. Where neither treaty partner has made such a reservation, Article 17(4) of the Multilateral Instrument stipulates that both have to notify the depositary whether the applicable treaty already contains a provision equivalent to Article 9(2) of the OECD Model Tax Convention (OECD, 2017). Where such a notification is made by both of them, the Multilateral Instrument will modify this treaty to replace that provision. If neither or only one treaty partner made this notification, Article 17(1) of the Multilateral Instrument will supersede this treaty only to the extent that the provision contained in that treaty relating to the granting of corresponding adjustments is incompatible with Article 17(1) (containing the equivalent of Article 9(2) of the OECD Model Tax Convention (OECD, 2017)).

48. Oman has, pursuant to Article 17(3), reserved the right not to apply Article 17(1) of the Multilateral Instrument for those treaties that already contain a provision equivalent

to Article 9(2) of the OECD Model Tax Convention (OECD, 2017). With regard to the 16 treaties identified in paragraph 42 above that are considered not to contain a provision that is equivalent to Article 9(2) of the OECD Model Tax Convention (OECD, 2017) (disregarding the one treaty that does not contain Article 9 at all), Oman listed 15 of them as a covered tax agreement under the Multilateral Instrument and included 13 of them in the list of treaties for which Oman has, pursuant to Article 17(3), reserved the right not to apply Article 17(1) of the Multilateral Instrument. Furthermore, Oman did not make a notification on the basis of Article 17(4) for the remaining two treaties. Of the relevant two treaty partners, one has not listed its treaty with Oman as a covered tax agreement. The remaining treaty partner has listed its treaty with Oman as a covered tax agreement under that instrument and did not make a reservation on the basis of Article 17(3) for this treaty.

49. The remaining treaty partner has already deposited its instrument of ratification of the Multilateral Instrument, following which the Multilateral Instrument has entered into force for the treaty between Oman and this treaty partner, and therefore has been superseded by the Multilateral Instrument upon its entry into force for this treaty to include the equivalent of Article 9(2) of the OECD Model Tax Convention (OECD, 2017), but only to the extent that the provision contained in this treaty relating to the granting of corresponding adjustments is incompatible with Article 17(1).

### ***Conclusion***

	<b>Areas for Improvement</b>	<b>Recommendations</b>
[B.3]	Oman reported that it will provide access to MAP in transfer pricing cases. Its competent authority, however did not receive any MAP request for such cases during the Review Period. Oman is therefore recommended to follow its policy and grant access to MAP in such cases.	

### **[B.4] Provide access to MAP in relation to the application of anti-abuse provisions**

Jurisdictions should provide access to MAP in cases in which there is a disagreement between the taxpayer and the tax authorities making the adjustment as to whether the conditions for the application of a treaty anti-abuse provision have been met or as to whether the application of a domestic law anti-abuse provision is in conflict with the provisions of a treaty.

50. There is no general rule denying access to MAP in cases of perceived abuse. In order to protect taxpayers from arbitrary application of anti-abuse provisions in tax treaties and in order to ensure that competent authorities have a common understanding on such application, it is important that taxpayers have access to MAP if they consider the interpretation and/or application of a treaty anti-abuse provision as being incorrect. Subsequently, to avoid cases in which the application of domestic anti-abuse legislation is in conflict with the provisions of a tax treaty, it is also important that taxpayers have access to MAP in such cases.

### ***Legal and administrative framework***

51. None of Oman's 37 tax treaties allow competent authorities to restrict access to MAP for cases where a treaty anti-abuse provision applies or where there is a disagreement between the taxpayer and the tax authorities as to whether the application of a domestic law anti-abuse provision is in conflict with the provisions of a tax treaty. In addition, also the domestic law and/or administrative processes of Oman do not include a provision allowing its competent authority to limit access to MAP for cases in which there is a disagreement



between the taxpayer and the tax authorities as to whether the conditions for the application of a domestic law anti-abuse provision is in conflict with the provisions of a tax treaty.

52. Since Oman has no published MAP guidance to date, there is no publicly available information on access to MAP in relation to the application of anti-abuse provisions. However, its draft guidance clarifies that access to MAP will be provided in cases in which there is a disagreement between the taxpayer and the tax authorities making the adjustment as to whether the conditions for the application of a treaty anti-abuse provision have been met or as to whether the application of a domestic law anti-abuse provision is in conflict with the provisions of a treaty.

### *Practical application*

53. Oman reported that since 1 January 2017 it has not denied access to MAP in cases in which there was a disagreement between the taxpayer and the tax authorities as to whether the conditions for the application of a treaty anti-abuse provision have been met, or as to whether the application of a domestic law anti-abuse provision is in conflict with the provisions of a tax treaty. However, no MAP cases were received during this period.

54. All peers that provided input indicated not being aware of cases that have been denied access to MAP in Oman since 1 January 2017 in relation to the application of treaty and/or domestic anti-abuse provisions.

### *Anticipated modifications*

55. Oman indicated that it does not anticipate any modifications in relation to element B.4.

### *Conclusion*

	Areas for Improvement	Recommendations
[B.4]	Oman reported it will give access to MAP in cases concerning whether the conditions for the application of a treaty anti-abuse provision have been met or whether the application of a domestic law anti-abuse provision is in conflict with the provisions of a treaty. Its competent authority, however, did not receive any MAP requests of this kind from taxpayers during the Review Period. Oman is therefore recommended to follow its policy and grant access to MAP in such cases.	

## **[B.5] Provide access to MAP in cases of audit settlements**

Jurisdictions should not deny access to MAP in cases where there is an audit settlement between tax authorities and taxpayers. If jurisdictions have an administrative or statutory dispute settlement/resolution process independent from the audit and examination functions and that can only be accessed through a request by the taxpayer, jurisdictions may limit access to the MAP with respect to the matters resolved through that process.

56. An audit settlement procedure can be valuable to taxpayers by providing certainty on their tax position. Nevertheless, as double taxation may not be fully eliminated by agreeing on such settlements, taxpayers should have access to the MAP in such cases, unless they were already resolved via an administrative or statutory disputes settlement/resolution process that functions independently from the audit and examination function and which is only accessible through a request by taxpayers.

### ***Legal and administrative framework***

#### *Audit settlements*

57. Oman reported that under its domestic law no process is available allowing taxpayers and the tax administration to enter into a settlement agreement during the course of or after the ending of an audit.

#### *Administrative or statutory dispute settlement/resolution process*

58. Oman reported that it does not have an administrative or statutory dispute settlement/resolution process in place, which is independent from the audit and examination functions and which can only be accessed through a request by the taxpayer.

#### ***Practical application***

59. All peers indicated not being aware of a denial of access to MAP in Oman since 1 January 2017 in cases where there was an audit settlement between the taxpayer and the tax administration, which can be explained by the fact that Oman has received no MAP requests as yet and since such settlements are not possible in Oman.

#### ***Anticipated modifications***

60. Oman indicated that it does not anticipate any modifications in relation to element B.5.

#### ***Conclusion***

	Areas for Improvement	Recommendations
[B.5]	-	-

### **[B.6] Provide access to MAP if required information is submitted**

Jurisdictions should not limit access to MAP based on the argument that insufficient information was provided if the taxpayer has provided the required information based on the rules, guidelines and procedures made available to taxpayers on access to and the use of MAP.

61. To resolve cases where there is taxation not in accordance with the provisions of the tax treaty, it is important that competent authorities do not limit access to MAP when taxpayers have complied with the information and documentation requirements as provided in the jurisdiction's guidance relating hereto. Access to MAP will be facilitated when such required information and documentation is made publicly available.

#### ***Legal framework on access to MAP and information to be submitted***

62. As will be discussed under element B.8, Oman has not yet issued any MAP guidance to date. However, Oman has indicated that its draft guidance provides details on the information to be submitted along with a MAP request.

63. Oman reported that its draft MAP guidance in chapter 2.1.2 titled "Minimum information required to be a valid MAP request" lists all the information and documentation that the taxpayer is required to provide. Oman indicated that it will accept a MAP request



in all circumstances, except where basic and essential information such as contact details of the taxpayers concerned, the tax period(s) concerned and the nature of action leading to the MAP request is missing.

64. Accordingly, Oman reported that although information beyond such basic information would be required for a MAP request to be complete (as listed in Appendix 2 to its draft MAP guidance titled “Appendix 2: Information and documentation required to be submitted with a request for MAP assistance”), access to MAP will not be denied on the grounds that such information or any other additional information requested for by the competent authority has not been provided. Oman further reported that it would give a taxpayer 30 to 60 days to respond to additional information requests.

### *Practical application*

65. Oman reported that it will provide access to MAP in all cases where taxpayers have complied with the information or documentation requirements as set out in its MAP guidance. It further reported that since 1 January 2017 it has not denied access to MAP for cases where the taxpayer had not provided the required information or documentation. This is clarified by the fact that no MAP requests have been received since 1 January 2017.

66. All peers that provided input indicated not being aware of a limitation of access to MAP by Oman since 1 January 2017 in situations where taxpayers complied with information and documentation requirements.

### *Anticipated modifications*

67. Oman indicated that it does not anticipate any modifications in relation to element B.6.

### *Conclusion*

	Areas for Improvement	Recommendations
[B.6]	Oman reported it will give access to MAP in cases where taxpayers have complied with Oman's information and documentation requirements for MAP requests. Its competent authority, however, did not receive any MAP requests from taxpayers during the Review Period. Oman is therefore recommended to follow its policy and grant access to MAP when it receives a request that includes the required information and documentation.	

## **[B.7] Include Article 25(3), second sentence, of the OECD Model Tax Convention in tax treaties**

Jurisdictions should ensure that their tax treaties contain a provision under which competent authorities may consult together for the elimination of double taxation in cases not provided for in their tax treaties.

68. For ensuring that tax treaties operate effectively and in order for competent authorities to be able to respond quickly to unanticipated situations, it is useful that tax treaties include the second sentence of Article 25(3) of the OECD Model Tax Convention (OECD, 2017), enabling them to consult together for the elimination of double taxation in cases not provided for by these treaties.

### *Current situation of Oman's tax treaties*

69. Out of Oman's 37 tax treaties, 21 contain a provision equivalent to Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017) allowing their competent authorities to consult together for the elimination of double taxation in cases not provided for in their tax treaties. The remaining 16 treaties do not contain a provision that is based on or equivalent to Article 25(3), second sentence of the OECD Model Tax Convention (OECD, 2017),

### *Anticipated modifications*

#### *Multilateral Instrument*

70. Oman signed the Multilateral Instrument and deposited its instrument of ratification on 7 July 2020. The Multilateral Instrument has entered into force for Oman on 1 November 2020.

71. Article 16(4)(c)(ii) of that instrument stipulates that Article 16(3), second sentence – containing the equivalent of Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017) – will apply in the absence of a provision in tax treaties that is equivalent to Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017). In other words, in the absence of this equivalent, Article 16(4)(c)(ii) of the Multilateral Instrument will modify the applicable tax treaty to include such equivalent. However, this shall only apply if both contracting parties to the applicable tax treaty have listed this treaty as a covered tax agreement under the Multilateral Instrument and insofar as both notified, pursuant to Article 16(6)(d)(ii), the depositary that this treaty does not contain the equivalent of Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017).

72. With regard to the 16 tax treaties identified above that are considered not to contain the equivalent of Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017), Oman listed 15 treaties as a covered tax agreement under the Multilateral Instrument and made for all of them, pursuant to Article 16(6)(d)(ii), a notification that they do not contain a provision described in Article 16(4)(c)(ii). Of the relevant 15 treaty partners, six are not a signatory to the Multilateral Instrument and two did not list its treaty with Oman as a covered tax agreement. Of the remaining seven treaty partners, six made such notification.

73. Of these six treaty partners, three already deposited their instrument of ratification of the Multilateral Instrument, following which the Multilateral Instrument has entered into force for the treaties between Oman and these treaty partners, and therefore has modified these treaties to include the equivalent of Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017). For the remaining three treaties, the instrument will, upon entry into force for these treaties, modify them to include the equivalent of this provision.

#### *Bilateral modifications*

74. Oman reported that when the tax treaties that do not contain the equivalent of Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017) will not be modified by the Multilateral Instrument, it intends to update them via bilateral negotiations with a view to be compliant with element B.7. Oman indicated that it is currently working on a plan, prioritising jurisdictions with which it has most commercial relations and trading

balance. In addition, Oman reported it will seek to include Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017) in all of its future tax treaties.

### *Peer input*

75. Almost all peers that provided input confirmed that their treaty with Oman meets the requirements under this element of the Action 14 Minimum Standard.

76. For the 16 treaties identified that do not contain the equivalent of Article 25(1), second sentence of the OECD Model Tax Convention (OECD, 2017), one peer provided input. This peer noted that since it had signed and ratified the Multilateral Instrument and Oman had signed the Multilateral Instrument and since both parties had notified the concerned treaty as a covered tax agreement and listed such treaty under Article 16(6)(d)(ii), its treaty with Oman would be modified to be in line with element B.7.

### *Conclusion*

	Areas for Improvement	Recommendations
[B.7]	<p>16 out of 37 tax treaties do not contain a provision that is equivalent to Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017). Of these 16 treaties:</p> <ul style="list-style-type: none"> <li>• Three have been modified by the Multilateral Instrument to include the required provision.</li> <li>• Three are expected to be modified by the Multilateral Instrument to include the required provision.</li> <li>• Ten will not be modified by the Multilateral Instrument to include the required provision.</li> </ul>	<p>For the remaining ten treaties that will not be modified by the Multilateral Instrument to include the equivalent of Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017), Oman should request the inclusion of the required provision via bilateral negotiations. With regard to the one treaty among these ten treaties that was recently signed but not is force as yet, Oman should enter into bilateral negotiations with the concerned treaty partner to make this treaty in line with element B.7.</p> <p>To this end, Oman should follow its stated intention to put a plan in place on how it envisages updating these treaties to include the required provision.</p> <p>In addition, Oman should maintain its stated intention to include the required provision in all future tax treaties.</p>

## **[B.8] Publish clear and comprehensive MAP guidance**

Jurisdictions should publish clear rules, guidelines and procedures on access to and use of the MAP and include the specific information and documentation that should be submitted in a taxpayer's request for MAP assistance.

77. Information on a jurisdiction's MAP regime facilitates the timely initiation and resolution of MAP cases. Clear rules, guidelines and procedures on access to and use of the MAP are essential for making taxpayers and other stakeholders aware of how a jurisdiction's MAP regime functions. In addition, to ensure that a MAP request is received and will be reviewed by the competent authority in a timely manner, it is important that a jurisdiction's MAP guidance clearly and comprehensively explains how a taxpayer can make a MAP request and what information and documentation should be included in such request.

### ***Oman's MAP guidance***

78. As Oman has not yet published MAP guidance, the information that the FTA MAP Forum agreed should be included in a jurisdiction's guidance is not publicly available. This information includes: (i) the contact information of the competent authority or the office in charge of MAP cases and (ii) the manner and form in which the taxpayer should submit a MAP request.<sup>1</sup>

### ***Information and documentation to be included in a MAP request***

79. To facilitate the review of a MAP request by competent authorities and to have more consistency in the required content of MAP requests, the FTA MAP Forum agreed on guidance that jurisdictions could use in their domestic guidance on what information and documentation taxpayers need to include in request for MAP assistance.<sup>2</sup> This agreed guidance is shown below. Although not publicly available, the elements that should be included in a MAP request to Oman are as checked:

- identity of the taxpayer(s) covered in the MAP request
- the basis for the request
- facts of the case
- analysis of the issue(s) requested to be resolved via MAP
- whether the MAP request was also submitted to the competent authority of the other treaty partner
- whether the MAP request was also submitted to another authority under another instrument that provides for a mechanism to resolve treaty-related disputes
- whether the issue(s) involved were dealt with previously a statement confirming that all information and documentation provided in the MAP request is accurate and that the taxpayer will assist the competent authority in its resolution of the issue(s) presented in the MAP request by furnishing any other information or documentation required by the competent authority in a timely manner.

### ***Anticipated modifications***

80. Oman reported that its MAP guidance is currently in draft form and that it contains the following basic information:

- a. contact information for the competent authority or the office in charge of MAP cases
- b. the manner and form in which the taxpayer should submit a MAP request
- c. the specific information and documentation that should be included in a MAP request
- d. how the MAP functions in terms of timing and the role of the competent authorities
- e. access to MAP in transfer pricing cases, audit settlements, anti-abuse provisions, multilateral disputes, bona fide foreign-initiated self-adjustments and for multi-year resolution of cases
- f. relationship with domestic remedies

- g. implementation of MAP agreements
  - h. rights and role of taxpayers in the process
  - i. suspension of tax collection
  - j. interest charges, refunds and penalties.
81. Although the information included in Oman’s draft MAP guidance is detailed and comprehensive, the time limits applicable to the implementation of a MAP agreement is not specifically discussed.

### ***Conclusion***

	<b>Areas for improvement</b>	<b>Recommendations</b>
[B.8]	The MAP guidance has not been published.	<p>Oman should follow up on its stated intention to introduce and publish guidance on access to and use of the MAP, including the contact details of the competent authority or office in charge of MAP cases as well as the manner and form in which the taxpayer should submit its MAP request (inter alia, the documentation/information that it should include in such a request).</p> <p>Although not required under the Action 14 Minimum Standard, in order to ensure that its draft MAP guidance is more comprehensive, Oman could consider including information on the time limits applicable to the implementation of a MAP agreement.</p>

### **[B.9] Make MAP guidance available and easily accessible and publish MAP profile**

Jurisdictions should take appropriate measures to make rules, guidelines and procedures on access to and use of the MAP available and easily accessible to the public and should publish their jurisdiction MAP profiles on a shared public platform pursuant to the agreed template.

82. The public availability and accessibility of a jurisdiction’s MAP guidance increases public awareness on access to and the use of the MAP in that jurisdiction. Publishing MAP profiles on a shared public platform further promotes the transparency and dissemination of the MAP programme.<sup>3</sup>

#### ***Rules, guidelines and procedures on access to and use of the MAP***

83. As stated under element B.8, Oman has not yet published its MAP guidance.

#### ***MAP profile***

84. The MAP profile of Oman is published on the website of the OECD. While this MAP profile is complete, since Oman has not published MAP guidance, detailed information on its MAP programme is not included in some of its responses.

#### ***Anticipated modifications***

85. Oman stated its intention to publish the MAP guidance and thereafter, to update its MAP profile as soon as possible.

### Conclusion

	Areas for Improvement	Recommendations
[B.9]	Oman's MAP guidance is not publically available.	Oman should make its MAP guidance available and easily accessible once it has been introduced. Furthermore, Oman's MAP profile should be updated once its MAP guidance has been introduced.

### [B.10] Clarify in MAP guidance that audit settlements do not preclude access to MAP

Jurisdictions should clarify in their MAP guidance that audit settlements between tax authorities and taxpayers do not preclude access to MAP. If jurisdictions have an administrative or statutory dispute settlement/resolution process independent from the audit and examination functions and that can only be accessed through a request by the taxpayer, and jurisdictions limit access to the MAP with respect to the matters resolved through that process, jurisdictions should notify their treaty partners of such administrative or statutory processes and should expressly address the effects of those processes with respect to the MAP in their public guidance on such processes and in their public MAP programme guidance.

86. As explained under element B.5, an audit settlement can be valuable to taxpayers by providing certainty to them on their tax position. Nevertheless, as double taxation may not be fully eliminated by agreeing with such settlements, it is important that a jurisdiction's MAP guidance clarifies that in case of audit settlement taxpayers have access to the MAP. In addition, for providing clarity on the relationship between administrative or statutory dispute settlement or resolution processes and the MAP (if any), it is critical that both the public guidance on such processes and the public MAP programme guidance address the effects of those processes, if any. Finally, as the MAP represents a collaborative approach between treaty partners, it is helpful that treaty partners are notified of each other's MAP programme and limitations thereto, particularly in relation to the previously mentioned processes.

#### *MAP and audit settlements in the MAP guidance*

87. As previously discussed under B.5, audit settlements are not possible in Oman.

88. Peers raised no issues with respect to the availability of audit settlements and the inclusion of information hereon in Oman's MAP guidance, which can be clarified by the fact that Oman has no such published guidance and such settlements are not possible in Oman.

#### *MAP and other administrative or statutory dispute settlement/resolution processes in available guidance*

89. As previously mentioned under element B.5, Oman does not have an administrative or statutory dispute settlement/resolution process in place that is independent from the audit and examination functions and that can only be accessed through a request by the taxpayer. In that regard, there is no need to address the effects of such process with respect to MAP in Oman's MAP guidance.

90. All peers that provided input indicated not being aware of the existence of an administrative or statutory dispute settlement/resolution process in Oman, which can be clarified by the fact that such process is not in place in Oman.

***Notification of treaty partners of existing administrative or statutory dispute settlement/resolution processes***

91. As Oman does not have an internal administrative or statutory dispute settlement/resolution process in place that has an impact on MAP, there is no need for notifying treaty partners of such process.

***Anticipated modifications***

92. Oman indicated that it does not anticipate any modifications in relation to element B.10.

***Conclusion***

	Areas for Improvement	Recommendations
[B.10]	-	-

## Notes

1. See: <https://www.oecd.org/fr/fiscalite/beps/beps-action-14-accroitre-l-efficacite-des-mecanismes-de-reglement-des-differends-documents-pour-l-examen-par-les-pairs.pdf>.
2. Available at: [www.oecd.org/tax/beps/beps-action-14-on-more-effective-dispute-resolution-peer-review-documents.pdf](http://www.oecd.org/tax/beps/beps-action-14-on-more-effective-dispute-resolution-peer-review-documents.pdf).
3. The shared public platform can be found at: [www.oecd.org/ctp/dispute/country-map-profiles.htm](http://www.oecd.org/ctp/dispute/country-map-profiles.htm).

## References

- OECD (2017), *Model Tax Convention on Income and on Capital 2017 (Full Version)*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/g2g972ee-en>.
- OECD (2015a), *Model Tax Convention on Income and on Capital 2014 (Full Version)*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264239081-en>.
- OECD (2015b), “Making Dispute Resolution Mechanisms More Effective, Action 14 – 2015 Final Report”, in *OECD/G20 Base Erosion and Profit Shifting Project*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264241633-en>.





## *Part C*

### **Resolution of MAP cases**

#### **[C.1] Include Article 25(2), first sentence, of the OECD Model Tax Convention in tax treaties**

Jurisdictions should ensure that their tax treaties contain a provision which requires that the competent authority who receives a MAP request from the taxpayer, shall endeavour, if the objection from the taxpayer appears to be justified and the competent authority is not itself able to arrive at a satisfactory solution, to resolve the MAP case by mutual agreement with the competent authority of the other Contracting Party, with a view to the avoidance of taxation which is not in accordance with the tax treaty.

93. It is of critical importance that in addition to allowing taxpayers to request for a MAP, tax treaties also include the equivalent of the first sentence of Article 25(2) of the OECD Model Tax Convention (OECD, 2017), which obliges competent authorities, in situations where the objection raised by taxpayers are considered justified and where cases cannot be unilaterally resolved, to enter into discussions with each other to resolve cases of taxation not in accordance with the provisions of a tax treaty.

#### ***Current situation of Oman’s tax treaties***

94. All of Oman’s 37 tax treaties contain a provision equivalent to Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017) requiring its competent authority to endeavour – when the objection raised is considered justified and no unilateral solution is possible – to resolve by mutual agreement with the competent authority of the other treaty partner the MAP case with a view to the avoidance of taxation which is not in accordance with the tax treaty.

#### ***Anticipated modifications***

##### *Bilateral modifications*

95. Oman reported it will seek to include Article 25(2), first sentence, of the OECD Model Tax Convention (OECD, 2017) in all of its future tax treaties.

##### *Peer input*

96. All peers that provided input confirmed that their treaty with Oman meets the Action 14 Minimum Standard for this element.

### *Conclusion*

	Areas for Improvement	Recommendations
[C.1]		Oman should maintain its stated intention to include the required provision in all future tax treaties.

### **[C.2] Seek to resolve MAP cases within a 24-month average timeframe**

Jurisdictions should seek to resolve MAP cases within an average time frame of 24 months. This time frame applies to both jurisdictions (i.e. the jurisdiction which receives the MAP request from the taxpayer and its treaty partner).

97. As double taxation creates uncertainties and leads to costs for both taxpayers and jurisdictions, and as the resolution of MAP cases may also avoid (potential) similar issues for future years concerning the same taxpayers, it is important that MAP cases are resolved swiftly. A period of 24 months is considered as an appropriate time period to resolve MAP cases on average.

#### *Reporting of MAP statistics*

98. The FTA MAP Forum has agreed on rules for reporting of MAP statistics (“**MAP Statistics Reporting Framework**”) for MAP requests submitted on or after 1 January 2016 (“**post-2015 cases**”). Also, for MAP requests submitted prior to that date (“**pre-2016 cases**”), the FTA MAP Forum agreed to report MAP statistics on the basis of an agreed template. Oman joined in the Inclusive Framework in 2017. For this reason the statistics referred to are pre-2017 cases for cases that were pending on 31 December 2016, and post-2016 cases for cases that started on or after 1 January 2017. Oman provided its MAP statistics for 2017, 2018 and 2019 pursuant to the MAP Statistics Reporting Framework within the given deadline. The statistics discussed below include both pre-2017 and post-2016 cases and they are attached to this report as Annex B and Annex C respectively, showing that Oman has not been involved in any MAP cases since 1 January 2017.

#### *Monitoring of MAP statistics*

99. As Oman has not received a MAP request, there was no need to have a system in place that communicates, monitors and manages with its treaty partners the MAP caseload.

#### *Analysis of Oman’s MAP caseload*

100. Oman has not been involved in any MAP cases during the Review Period.

#### *Overview of cases closed during the Statistics Reporting Period*

101. Oman has not been involved in any MAP cases during the Review Period.

#### *Average timeframe needed to resolve MAP cases*

102. Oman has not been involved in any MAP cases during the Review Period.

**Peer input**

103. No peer input was received with respect to element C.2.

**Anticipated modifications**

104. Oman indicated that it does not anticipate any modifications in relation to element C.2.

**Conclusion**

	Areas for Improvement	Recommendations
[C.2]	As there were no post-2016 MAP cases to resolve it was therefore at this stage not possible to evaluate whether Oman's competent authority seeks to resolve MAP cases within an average time frame of 24 months.	

**[C.3] Provide adequate resources to the MAP function**

Jurisdictions should ensure that adequate resources are provided to the MAP function.

105. Adequate resources, including personnel, funding and training, are necessary to properly perform the competent authority function and to ensure that MAP cases are resolved in a timely, efficient and effective manner.

**Description of Oman's competent authority**

106. Under Oman's tax treaties, the competent authority function is generally assigned to the Ministry of Finance. This has been delegated to the Tax Agreements department of Oman's tax authority. Oman's competent authority consists of five people to deal with MAP cases along with other tasks such as negotiation of tax treaties, tax treaty policy and exchange of information. Four of these staff members hold university degrees with a background in finance/accounting, while the fifth staff member also used to be a tax inspector. These staff members report to the Director General for Planning and Tax Policy

107. Oman clarified that it has no specialized resources for MAP given the fact that it did not receive any MAP requests from taxpayers or other competent authorities.

**Monitoring mechanism**

108. As discussed under element C.2, Oman's competent authority has not yet been involved in any MAP cases and thus, it does not have a monitoring mechanism in place either.

**Practical application****MAP statistics**

109. As discussed under element C.2, Oman's competent authority has not yet been involved in any MAP cases.

**Peer input**

110. No peer input was received with respect to element C.3.

*Anticipated modifications*

111. Oman indicated that it plans to introduce a new structure where a separate competent authority division authorised to exclusively deal with MAP cases would be established.

*Conclusion*

	Areas for Improvement	Recommendations
[C.3]	-	Oman should monitor whether the resources available for the competent authority function remain adequate in order to resolve future MAP cases in a timely, efficient and effective manner.

#### **[C.4] Ensure staff in charge of MAP has the authority to resolve cases in accordance with the applicable tax treaty**

Jurisdictions should ensure that the staff in charge of MAP processes have the authority to resolve MAP cases in accordance with the terms of the applicable tax treaty, in particular without being dependent on the approval or the direction of the tax administration personnel who made the adjustments at issue or being influenced by considerations of the policy that the jurisdictions would like to see reflected in future amendments to the treaty.

112. Ensuring that staff in charge of MAP can and will resolve cases, absent any approval/direction by the tax administration personnel directly involved in the adjustment and absent any policy considerations, contributes to a principled and consistent approach to MAP cases.

*Functioning of staff in charge of MAP*

113. As discussed under element C.3, Oman reported that MAP cases would be handled by the Tax Agreements department of the Oman tax authority that is separate from the audit wing of the tax administration. Oman further reported that the negotiation and conclusion of MAP cases does not require the approval of personnel in the tax administration that are responsible for audit. Accordingly, Oman reported that the staff in charge of MAP in Oman would have the necessary authority to resolve MAP cases as it is not dependent on the approval/direction of the tax administration personnel directly involved in the adjustment and there are no impediments in Oman's abilities to perform its MAP functions.

114. Further, Oman clarified that its competent authority will take into consideration the actual terms of a tax treaty as applicable for the relevant year and that it is committed not to be influenced by policy considerations that Oman would like to see reflected in future amendments to the treaty.

*Practical application*

115. Peers generally reported no impediments in Oman to perform its MAP function in the absence of approval or the direction of the tax administration personnel who made the adjustments at issue or being influenced by considerations of the policy, which is clarified by the fact that.

*Anticipated modifications*

116. Oman indicated that it plans to introduce a new structure where a separate competent authority division authorized to exclusively deal with MAP cases would be established.

*Conclusion*

	Areas for Improvement	Recommendations
[C.4]	-	For future MAP cases, Oman should ensure that its competent authority continues to have the authority, and uses that authority in practice, to resolve MAP cases without being dependent on approval or direction from the tax administration personnel directly involved in the adjustment at issue and absent any policy considerations that Oman would like to see reflected in future amendments to the treaty.

**[C.5] Use appropriate performance indicators for the MAP function**

Jurisdictions should not use performance indicators for their competent authority functions and staff in charge of MAP processes based on the amount of sustained audit adjustments or maintaining tax revenue.

117. For ensuring that each case is considered on its individual merits and will be resolved in a principled and consistent manner, it is essential that any performance indicators for the competent authority function and for the staff in charge of MAP processes are appropriate and not based on the amount of sustained audit adjustments or aim at maintaining a certain amount of tax revenue.

*Performance indicators used by Oman*

118. The Action 14 final report includes examples of performance indicators that are considered appropriate. These indicators are:

- number of MAP cases resolved
- consistency (i.e. a treaty should be applied in a principled and consistent manner to MAP cases involving the same facts and similarly-situated taxpayers)
- time taken to resolve a MAP case (recognising that the time taken to resolve a MAP case may vary according to its complexity and that matters not under the control of a competent authority may have a significant impact on the time needed to resolve a case).

119. In view of these examples, as Oman has not been involved in any MAP cases thus far, it did not report using any of these performance indicators to assess staff in charge of MAP cases.

120. Further to the above, Oman reported that it does not use any performance indicators for staff in charge of MAP that are related to the outcome of MAP discussions in terms of the amount of sustained audit adjustments or maintained tax revenue. In other words, staff in charge of MAP is not evaluated on the basis of the material outcome of MAP discussions.

***Practical application***

121. Peers that provided input reported not being aware of the use of performance indicators by Oman that are based on the amount of sustained audit adjustments or maintaining a certain amount of tax revenue.

***Anticipated modifications***

122. Oman reported that it will apply the performance indicators mentioned in the Action 14 final report when it receives MAP requests.

***Conclusion***

	Areas for Improvement	Recommendations
[C.5]	-	Oman could follow its stated intention to use the examples of performance indicators mentioned in the Action 14 final report to evaluate staff in charge of the MAP processes when it receives MAP requests.

**[C.6] Provide transparency with respect to the position on MAP arbitration**

Jurisdictions should provide transparency with respect to their positions on MAP arbitration.

123. The inclusion of an arbitration provision in tax treaties may help ensure that MAP cases are resolved within a certain timeframe, which provides certainty to both taxpayers and competent authorities. In order to have full clarity on whether arbitration as a final stage in the MAP process can and will be available in jurisdictions it is important that jurisdictions are transparent on their position on MAP arbitration.

***Position on MAP arbitration***

124. Oman reported that it has no domestic law limitations for including MAP arbitration in its tax treaties. However, Oman's MAP profile states that it has the policy not to include arbitration in any of its tax treaties.

***Practical application***

125. Up to date, Oman has not incorporated an arbitration clause in any of its treaties as a final stage to the MAP.

126. No peer input was provided in this respect.

***Anticipated modifications***

127. Oman indicated that it does not anticipate any modifications in relation to element C.6.

***Conclusion***

	Areas for Improvement	Recommendations
[C.6]	-	-

## *Reference*

OECD (2017), *Model Tax Convention on Income and on Capital 2017 (Full Version)*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/g2g972ee-en>.





## *Part D*

### **Implementation of MAP agreements**

#### **[D.1] Implement all MAP agreements**

Jurisdictions should implement any agreement reached in MAP discussions, including by making appropriate adjustments to the tax assessed in transfer pricing cases.

128. In order to provide full certainty to taxpayers and the jurisdictions, it is essential that all MAP agreements are implemented by the competent authorities concerned.

#### ***Legal framework to implement MAP agreements***

129. Oman reported that where the underlying tax treaty does contain the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017), it will implement all MAP agreements irrespective of its domestic time limits. Oman's domestic law includes a statute of limitation of 3 years from the end of the concerned taxable year. However, Oman reported that where a tax treaty does not contain the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017), its policy is to implement all MAP agreements irrespective of its domestic time-limits. In other words, regardless of whether a tax treaty contains the second sentence of Article 25(2) of the OECD Model Tax Convention (OECD, 2017), Oman reported it will always implement MAP agreements. However, Oman clarified that once a MAP agreement is implemented, a taxpayer is given a timeframe of five years within which an application for refund must be filed, where applicable after which this right would lapse.

130. Oman also clarified that there is no specific timeframe set for the implementation of MAP agreements under its domestic law or policy.

#### ***Practical application***

131. Oman reported that there were no MAP agreements reached with another competent authority on or after 1 January 2017. Oman further indicated that it would monitor the implementation of MAP agreements, although so far it has no experience in this regard due to fact that no MAP agreements have yet been entered into.

132. Peers reported not being aware of MAP agreements that were reached on or after 1 January 2017 that were not implemented in Oman, which can be explained as no MAP agreement has been reached as of that date.

*Anticipated modifications*

133. Oman indicated that it does not anticipate any modifications in relation to element D.1.

*Conclusion*

	Areas for Improvement	Recommendations
[D.1]	As there was no MAP agreement reached during the Review Period, it was not yet possible to assess whether Oman would have implemented all MAP agreements thus far.	

**[D.2] Implement all MAP agreements on a timely basis**

Agreements reached by competent authorities through the MAP process should be implemented on a timely basis.

134. Delay of implementation of MAP agreements may lead to adverse financial consequences for both taxpayers and competent authorities. To avoid this and to increase certainty for all parties involved, it is important that the implementation of any MAP agreement is not obstructed by procedural and/or statutory delays in the jurisdictions concerned.

*Theoretical timeframe for implementing mutual agreements*

135. As discussed under element D.1., Oman reported that there are no specific time limits set for the implementation of MAP agreements. Further, as discussed under element B.8, Oman's draft MAP guidance does not discuss a timeframe for implementing mutual agreements.

*Practical application*

136. Oman reported that there were no MAP agreements reached with another competent authority on or after 1 January 2017.

137. All peers that provided input have not indicated experiencing any problems with Oman regarding the implementation of MAP agreements reached on a timely basis, which can be explained as no MAP agreement was reached as of 1 January 2017.

*Anticipated modifications*

138. Oman indicated that it does not anticipate any modifications in relation to element D.2.

*Conclusion*

	Areas for Improvement	Recommendations
[D.2]	As there was no MAP agreement reached during the Review Period that needed to be implemented in Oman, it was not yet possible to assess whether Oman would have implemented all MAP agreements on a timely basis thus far.	

**[D.3] Include Article 25(2), second sentence, of the OECD Model Tax Convention in tax treaties or alternative provisions in Article 9(1) and Article 7(2)**

Jurisdictions should either (i) provide in their tax treaties that any mutual agreement reached through MAP shall be implemented notwithstanding any time limits in their domestic law, or (ii) be willing to accept alternative treaty provisions that limit the time during which a Contracting Party may make an adjustment pursuant to Article 9(1) or Article 7(2), in order to avoid late adjustments with respect to which MAP relief will not be available.

139. In order to provide full certainty to taxpayers it is essential that implementation of MAP agreements is not obstructed by any time limits in the domestic law of the jurisdictions concerned. Such certainty can be provided by either including the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) in tax treaties, or alternatively, setting a time limit in Article 9(1) and Article 7(2) for making adjustments to avoid that late adjustments obstruct granting of MAP relief.

***Legal framework and current situation of Oman’s tax treaties***

140. As discussed under element D.1, Oman’s domestic legislation contains a statute of limitations of 3 years for tax assessments. However, Oman’s policy specifically extends this time-limit to allow implementation of MAP agreements irrespective of domestic time-limits.

141. Out of Oman’s 37 tax treaties, 30 contain a provision equivalent to Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) that any mutual agreement reached through MAP shall be implemented notwithstanding any time limits in their domestic law. Further, five treaties do not contain such equivalent nor the alternative provisions for Article 9(1) and Article 7(2) setting a time limit for making transfer pricing adjustments.

142. The remaining two treaties contain a provision that specifically states that a MAP agreement shall be implemented within the time-limits in accordance with the domestic laws of the Contracting States. Therefore, these two treaties are considered not to be in line with element D.3.

***Anticipated modifications***

***Multilateral Instrument***

143. Oman signed the Multilateral Instrument. Article 16(4)(b)(ii) of that instrument stipulates that Article 16(2), second sentence – containing the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) – will apply in the absence of a provision in tax treaties that is equivalent to Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017). In other words, in the absence of this equivalent, Article 16(4)(b)(ii) of the Multilateral Instrument will modify the applicable tax treaty to include such equivalent. However, this shall only apply if both contracting parties to the applicable tax treaty have listed this treaty as a covered tax agreement under the Multilateral Instrument and insofar as both, pursuant to Article 16(6)(c)(ii), notified the depositary that this treaty does not contain the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017). Article 16(4)(b)(ii) of the Multilateral Instrument will for a tax treaty not take effect if one or both of the treaty partners has, pursuant to Article 16(5)(c), reserved the right not to apply the second

sentence of Article 16(2) of that instrument for all of its covered tax agreements under the condition that: (i) any MAP agreement shall be implemented notwithstanding any time limits in the domestic laws of the contracting states, or (ii) the jurisdiction intends to meet the Action 14 Minimum Standard by accepting in its tax treaties the alternative provisions to Article 9(1) and 7(2) concerning the introduction of a time limit for making transfer pricing profit adjustments.

144. With regard to the seven tax treaties identified above that are considered not to contain the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) or the alternative provisions for Articles 9(1) and 7(2), Oman listed all of them as covered tax agreements under the Multilateral Instrument, but only for five treaties did it make, pursuant to Article 16(6)(c)(ii), a notification that they do not contain a provision described in Article 16(4)(b)(ii). Of the relevant five treaty partners, two did not list their treaty with Oman as a covered tax agreement. Of the remaining three treaty partners, two made such notification.

145. Of these two treaty partners, one already deposited its instrument of ratification of the Multilateral Instrument, following which the Multilateral Instrument has entered into force for the treaty between Oman and this treaty partners, and therefore has modified this treaty to include the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017). For the remaining treaty, the instrument will, upon entry into force for this treaty, modify it to include the equivalent of this provision.

#### *Bilateral modifications*

146. Oman further reported that when tax treaties that do not contain the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) or both alternatives provided for in Articles 9(1) and 7(2) will not be modified by the Multilateral Instrument, it intends to update them via bilateral negotiations with a view to be compliant with element D.3. Oman indicated that it is currently working on a plan, prioritising jurisdictions with which it has most commercial relations and trading balance. In addition, Oman reported it will seek to include Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) or both alternatives in all of its future tax treaties.

#### *Peer input*

147. Almost all peers that provided input confirmed that their treaty with Oman meets the requirements under this element of the Action 14 Minimum Standard.

148. For the seven treaties identified that do not contain the equivalent of Article 25(1), second sentence of the OECD Model Tax Convention (OECD, 2017), two peers provided input. One peer noted that its treaty with Oman was not in line with the Action 14 minimum standard, but reported that since MAP cases have not arisen in respect of this treaty, it treated other treaty partners with priority regarding the implementation of the minimum standard in the field of MAP and that it intends to enter into contact with Oman in this respect in due course. The other peer noted that its treaty with Oman does not meet the Action 14 minimum standard, but that it had made all necessary notifications under the Multilateral Instrument. This treaty is one of two treaties that will be modified, upon entry into force, by the Multilateral Instrument to be in line with element D.3.

## Conclusion

	Areas for Improvement	Recommendations
[D.3]	<p>Seven out of 37 tax treaties contain neither a provision that is equivalent to Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) nor both alternative provisions provided for in Article 9(1) and Article 7(2). Of these seven treaties:</p> <ul style="list-style-type: none"> <li>• One has been modified by the Multilateral Instrument to include the required provision.</li> <li>• One is expected to be modified by the Multilateral Instrument to include the required provision.</li> <li>• Five will not be modified by the Multilateral Instrument to include the required provision.</li> </ul>	<p>For the remaining five treaties that will not be modified by the Multilateral Instrument to include the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017), Oman should request the inclusion of the required provision via bilateral negotiations or be willing to accept the inclusion of both alternative provisions. With regard to the one treaty among these five treaties that was recently signed but not is force as yet, Oman should enter into bilateral negotiations with the concerned treaty partner to make this treaty in line with element D.3.</p>
		<p>To this end, Oman should follow its stated intention to put a plan in place on how it envisages updating these treaties to include the required provision or the alternative provisions</p>
		<p>In addition, Oman should maintain its stated intention to include the required provision, or be willing to accept the inclusion of both alternative provisions, in all future tax treaties.</p>

## Reference

OECD (2017), *Model Tax Convention on Income and on Capital 2017 (Full Version)*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/g2g972ee-en>.



## Summary

	Areas for Improvement	Recommendations
<b>Part A: Preventing disputes</b>		
[A.1]	-	Oman should maintain its stated intention to include the required provision in all future tax treaties.
[A.2]	-	-
<b>Part B: Availability and access to MAP</b>		
	<p>One out of 37 tax treaties does not contain a provision that is equivalent to Article 25(1), first sentence, of the OECD Model Tax Convention (OECD, 2015a) as it read prior to the adoption of the Action 14 final report (OECD, 2015b), or as amended by that final report, and also the timeline to submit a MAP request is less than three years as from the first notification of the action resulting in taxation not in accordance with the provision of the tax treaty. This treaty will not be modified by the Multilateral Instrument to include the required provision.</p>	<p>As this treaty will not be modified by the Multilateral Instrument to include the equivalent of Article 25(1), first and second sentence, of the OECD Model Tax Convention (OECD, 2017), Oman should request the inclusion of the required provision via bilateral negotiations.</p> <p>This concerns a provision that is equivalent to Article 25(1), first and second sentence, of the OECD Model Tax Convention either:</p> <ol style="list-style-type: none"> <li>a. as amended by the Action 14 final report (OECD, 2015b), or</li> <li>b. As it read prior to the adoption of the Action 14 final report (OECD, 2015b), thereby including the full sentence of such provision.</li> </ol> <p>To this end, Oman should follow its stated intention to put a plan in place on how it envisages updating this treaty to include the required provision.</p>
[B.1]	<p>14 out of 37 tax treaties do not contain the equivalent of Article 25(1), second sentence, of the OECD Model Tax Convention (OECD, 2017), as the timeline to file a MAP request is shorter than three years from the first notification of the action resulting in taxation not in accordance with the provision of the tax treaty. Only five out of these 14 treaties are expected to be modified by the Multilateral Instrument to include such equivalent upon entry into force for this treaty. Out of these 14 treaties:</p> <ul style="list-style-type: none"> <li>• Three have been modified by the Multilateral Instrument to include the required provision.</li> <li>• Three are expected to be modified by the Multilateral Instrument to include the required provision</li> </ul> <p>Eight will not be modified by the Multilateral Instrument to include the required provision.</p>	<p>As the remaining eight treaties will not be modified by the Multilateral Instrument to include the equivalent to Article 25(1), second sentence of the OECD Model Tax Convention (OECD, 2017) in the treaties that currently do not contain such equivalent, Oman should request the inclusion of the required provision via bilateral negotiations. With regard to the one treaty among these eight treaties that was recently signed but not is force as yet, Oman should enter into bilateral negotiations with the concerned treaty partner to make this treaty in line with element B.1.</p> <p>To this end, Oman should follow its stated intention to put a plan in place on how it envisages updating these treaties to include the required provision.</p>
		<p>In addition, Oman should maintain its stated intention to include Article 25(1) of the OECD Model Tax Convention (OECD, 2017) as amended by the Action 14 final report (OECD, 2015b) in all future tax treaties.</p>

	Areas for Improvement	Recommendations
[B.2]	None of the 37 treaties contain a provision equivalent to Article 25(1) of the OECD Model Tax Convention (OECD, 2017), as amended by the Action 14 final report (OECD, 2015b), allowing taxpayers to submit a MAP request to the competent authority of either treaty partners. For these treaties no documented bilateral consultation or notification process is in place, which allows the other competent authority concerned to provide its views on the case when the taxpayer's objection raised in the MAP request is considered not to be justified.	Oman should without further delay follow its stated intention to introduce a documented notification and/or consultation process and provide in that document rules of procedure on how that process should be applied in practice, including the steps to be followed and timing of these steps. Furthermore, Oman should apply that process in practice for cases in which its competent authority considered the objection raised in a MAP request not to be justified and when the tax treaty concerned does not contain Article 25(1) of the OECD Model Tax Convention (OECD, 2017), as amended by the Action 14 final report (OECD, 2015b).
[B.3]	Oman reported that it will provide access to MAP in transfer pricing cases. Its competent authority, however did not receive any MAP request for such cases during the Review Period. Oman is therefore recommended to follow its policy and grant access to MAP in such cases.	
[B.4]	Oman reported it will give access to MAP in cases concerning whether the conditions for the application of a treaty anti-abuse provision have been met or whether the application of a domestic law anti-abuse provision is in conflict with the provisions of a treaty. Its competent authority, however, did not receive any MAP requests of this kind from taxpayers during the Review Period. Oman is therefore recommended to follow its policy and grant access to MAP in such cases.	
[B.5]	-	-
[B.6]	Oman reported it will give access to MAP in cases where taxpayers have complied with Oman's information and documentation requirements for MAP requests. Its competent authority, however, did not receive any MAP requests from taxpayers during the Review Period. Oman is therefore recommended to follow its policy and grant access to MAP when it receives a request that includes the required information and documentation.	
[B.7]	<p>16 out of 37 tax treaties do not contain a provision that is equivalent to Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017). Of these 16 treaties:</p> <ul style="list-style-type: none"> <li>• Three have been modified by the Multilateral Instrument to include the required provision.</li> <li>• Three are expected to be modified by the Multilateral Instrument to include the required provision.</li> </ul> <p>Ten will not be modified by the Multilateral Instrument to include the required provision.</p>	<p>For the remaining ten treaties that will not be modified by the Multilateral Instrument to include the equivalent of Article 25(3), second sentence, of the OECD Model Tax Convention (OECD, 2017), Oman should request the inclusion of the required provision via bilateral negotiations. With regard to the one treaty among these ten treaties that was recently signed but not is force as yet, Oman should enter into bilateral negotiations with the concerned treaty partner to make this treaty in line with element B.7.</p> <p>To this end, Oman should follow its stated intention to put a plan in place on how it envisages updating these treaties to include the required provision.</p> <p>In addition, Oman should maintain its stated intention to include the required provision in all future tax treaties.</p>
[B.8]	The MAP guidance has not been published.	<p>Oman should follow up on its stated intention to introduce and publish guidance on access to and use of the MAP, including the contact details of the competent authority or office in charge of MAP cases as well as the manner and form in which the taxpayer should submit its MAP request (inter alia, the documentation/information that it should include in such a request).</p> <p>Although not required under the Action 14 Minimum Standard, in order to ensure that its draft MAP guidance is more comprehensive, Oman could consider including information on the time limits applicable to the implementation of a MAP agreement.</p>
[B.9]	Oman's MAP guidance is not publically available.	Oman should make its MAP guidance available and easily accessible once it has been introduced. Furthermore, Oman's MAP profile should be updated once its MAP guidance has been introduced.



	Areas for Improvement	Recommendations
[B.10]	-	-
<b>Part C: Resolution of MAP cases</b>		
[C.1]		Oman should maintain its stated intention to include the required provision in all future tax treaties.
[C.2]	As there were no post-2016 MAP cases to resolve it was therefore at this stage not possible to evaluate whether Oman's competent authority seeks to resolve MAP cases within an average time frame of 24 months.	
[C.3]	-	Oman should monitor whether the resources available for the competent authority function remain adequate in order to resolve future MAP cases in a timely, efficient and effective manner.
[C.4]	-	For future MAP cases, Oman should ensure that its competent authority continues to have the authority, and uses that authority in practice, to resolve MAP cases without being dependent on approval or direction from the tax administration personnel directly involved in the adjustment at issue and absent any policy considerations that Oman would like to see reflected in future amendments to the treaty.
[C.5]	-	Oman could follow its stated intention to use the examples of performance indicators mentioned in the Action 14 final report to evaluate staff in charge of the MAP processes when it receives MAP requests.
[C.6]	-	-
<b>Part D: Implementation of MAP agreements</b>		
[D.1]	As there was no MAP agreement reached during the Review Period, it was not yet possible to assess whether Oman would have implemented all MAP agreements thus far.	
[D.2]	As there was no MAP agreement reached during the Review Period that needed to be implemented in Oman, it was not yet possible to assess whether Oman would have implemented all MAP agreements on a timely basis thus far.	
[D.3]	<p>Seven out of 37 tax treaties contain neither a provision that is equivalent to Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017) nor both alternative provisions provided for in Article 9(1) and Article 7(2). Of these seven treaties:</p> <ul style="list-style-type: none"> <li>• One has been modified by the Multilateral Instrument to include the required provision.</li> <li>• One is expected to be modified by the Multilateral Instrument to include the required provision</li> </ul> <p>Five will not be modified by the Multilateral Instrument to include the required provision.</p>	<p>For the remaining five treaties that will not be modified by the Multilateral Instrument to include the equivalent of Article 25(2), second sentence, of the OECD Model Tax Convention (OECD, 2017), Oman should request the inclusion of the required provision via bilateral negotiations or be willing to accept the inclusion of both alternative provisions. With regard to the one treaty among these five treaties that was recently signed but not is force as yet, Oman should enter into bilateral negotiations with the concerned treaty partner to make this treaty in line with element D.3.</p> <p>To this end, Oman should follow its stated intention to put a plan in place on how it envisages updating these treaties to include the required provision or alternative provisions</p> <p>In addition, Oman should maintain its stated intention to include the required provision, or be willing to accept the inclusion of both alternatives provisions, in all future tax treaties.</p>





Treaty partner	Action 25(1) of the OECD Model Tax Convention ("MTC")		Article 25(2) of the OECD MTC				Article 25(3) of the OECD MTC		Arbitration					
	Column 3		Column 4		Column 5		Column 6			Column 7	Column 8	Column 9	Column 10	Column 11
	B.1	B.1	B.1	B.1	B.3	B.4	C.1	D.3		A.1	B.7	C.6		
	DTC in force?	Inclusion Art. 25(1)?	Inclusion Art. 25(1) second sentence?	Inclusion Art. 9(2)?	Existence of a provision that MAP Article will not be available in cases where your jurisdiction is of the abuse of the DTC or of the domestic tax law?	Inclusion Art. 25(2) first sentence?	Inclusion Art. 25(2) second sentence?	Inclusion Art. 25(3) first sentence?	Inclusion Art. 25(3) second sentence?					
		If yes, submission to either competent authority	If no, please state reasons	If no, will your CA provide access to MAP in TP cases?	If no, will your CA accept a taxpayer's request for MAP in relation to such cases?		If no, alternative provision in Art. 7 & 9 OECD MTC?							
China (People's Republic of)	Y	O	Y	N/A	Y	i	Y	Y	Y	N	Y	N	N/A	
Croatia	Y	O	ii*	2 years	i	i	Y	Y	Y	N*	Y	N	N/A	
France	Y	E*	Y*	N/A	N/A	i	Y	Y	Y	Y	Y	N	N/A	
Hungary	Y	O	Y	N/A	Y	i	Y	Y	Y	Y	Y	N	N/A	
India	Y	O	Y	N/A	i	i	Y	Y	Y	Y	Y	N	N/A	
Iran	Y	O	ii	2-years	i	i	Y	Y	Y	Y	Y	N	N/A	
Italy	Y	N	ii	2-years	i	i	Y	Y	Y	N	Y	N	N/A	
Japan	Y	E*	Y	N/A	i	i	Y	Y	Y	Y	Y	N	N/A	
Korea	Y	O	Y	N/A	Y	i	Y	Y	Y	Y	Y	N	N/A	
Lebanon	Y	O	ii	2-years	Y	i	Y	Y	Y	Y	Y	N	N/A	
Mauritius	Y	E*	Y	N/A	Y	i	Y	Y	Y	Y	Y	N	N/A	
Moldova	Y	O	Y	N/A	i	i	Y	Y	Y	Y	Y	N	N/A	
Morocco	Y	O*	Y	N/A	Y	i	Y	Y	Y	Y	Y	N	N/A	
Netherlands	Y	E*	Y	N/A	Y	i	Y	Y	Y	Y	Y	N	N/A	
Pakistan	Y	O*	ii*	2-years	Y	i	Y	Y	Y	Y	Y	N*	N/A	
Portugal	Y	O	Y	N/A	i	i	Y	Y	Y	Y	Y	Y*	N/A	
Seychelles	Y	O**	ii*	2-years	i	i	Y	Y	Y	Y	Y	N*	N/A	
Singapore	Y	O	Y*	N/A	i	i	Y	Y	Y	Y	Y	Y*	N/A	
Slovak Republic	N	O	ii	2-years	Y	i	Y	Y	Y	N	Y	N	N/A	
South Africa	Y	O	Y	N/A	i	i	Y	Y	Y	Y	Y	N	N/A	
Spain	Y	O	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	N/A	
Sri Lanka	Y	O	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	N/A	
Sudan	Y	O	Y	N/A	Y	i	Y	Y	Y	Y	Y	Y	N/A	

Treaty partner	Action 25(1) of the OECD Model Tax Convention ("MTC")		Article 25(2) of the OECD MTC				Article 25(3) of the OECD MTC		Arbitration	
	B.1	B.1	B.3	B.4	C.1	D.3	A.1	B.7		
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11
	DTC in force?	Inclusion Art. 25(1)?	Inclusion Art. 25(1) second sentence?	Inclusion Art. 9(2)?	Existence of a provision that MAP Article will not be available in cases where your jurisdiction is of the assessment that there is an abuse of the DTC or of the domestic tax law?	Inclusion Art. 25(2) first sentence?	Inclusion Art. 25(2) second sentence? If no, alternative provision in Art. 7 & 9 OECD MTC?	Inclusion Art. 25(3) first sentence?	Inclusion Art. 25(3) second sentence?	Inclusion arbitration provision?
Switzerland	Y	O	Y	Y	i	Y	N	Y	Y	N
Syria	Y	O	li	Y	i	Y	Y	Y	Y	N
Thailand	Y	O	Y	Y	i	Y	N	Y	N	N
Tunisia	Y	O	Y	i	i	Y	Y	Y	Y	N
Turkey	Y	O*	Y	Y	i	Y	N*	Y	Y	N
United Kingdom	Y	E*	l	Y	i	Y	Y*	Y	Y*	N
Uzbekistan	Y	O	li	i	i	Y	Y	Y	N	N
Viet Nam	Y	O	li	i	i	Y	Y	Y	N	N
Yemen	Y	O	Y	Y	i	Y	Y	Y	Y	N

### Legend

- E\* The provision contained in this treaty was already in line with the requirements under this element of the Action 14 Minimum Standard, but has been modified by the Multilateral Instrument to allow the filing of a MAP request in either contracting state.
- E\*\* The provision contained in this treaty was not in line with the requirements under this element of the Action 14 Minimum Standard, but the treaty has been modified by the Multilateral Instrument and is now in line with this standard.
- O\* The provision contained in this treaty is already in line with the requirements under this element of the Action 14 Minimum Standard, but will be modified by the Multilateral Instrument upon entry into force for this specific treaty and will then allow the filing of a MAP request in either contracting state.
- O\*\*/E\*\*\* The provision contained in this treaty is already in line with the requirements under this element of the Action 14 Minimum Standard, but will be or has been superseded by the Multilateral Instrument only to the extent that existing treaty provisions are incompatible with the relevant provision of the Multilateral Instrument.
- Y\* The provision contained in this treaty was not in line with the requirements under this element of the Action 14 Minimum Standard, but the treaty has been modified by the Multilateral Instrument and is now in line with this element of the Action 14 Minimum Standard.
- Y\*\* The provision contained in this treaty already included an arbitration provision, which has been replaced by part VI of the Multilateral Instrument containing a mandatory and binding arbitration procedure.

Y***	The provision contained in this treaty did not include an arbitration provision, but part VI of the Multilateral Instrument applies, following which a mandatory and binding arbitration procedure is included in this treaty
i*/ii*/iv*/N*	The provision contained in this treaty is not in line with the requirements under this element of the Action 14 Minimum Standard, but the treaty will be modified by the Multilateral Instrument upon entry into force for this specific treaty and will then be in line with this element of the Action 14 Minimum Standard.
i**/ii**/iv**/N**	The provision contained in this treaty is not in line with the requirements under this element of the Action 14 Minimum Standard, but the treaty will be superseded by the Multilateral Instrument upon entry into force for this specific treaty only to the extent that existing treaty provisions are incompatible with the relevant provision of the Multilateral Instrument.
i**/ii***	The provision contained in this treaty was not in line with the requirements under this element of the Action 14 Minimum Standard, but the treaty has been superseded by the Multilateral Instrument only to the extent that existing treaty provisions are incompatible with the relevant provision of the Multilateral Instrument.
N**/E****	The provision contained in this treaty was not in line with the requirements under this element of the Action 14 Minimum Standard, but the treaty will be or has been superseded by the Multilateral Instrument only to the extent that existing treaty provisions are incompatible with the relevant provision of the Multilateral Instrument.

## Annex B

## MAP Statistics Reporting for the 2017, 2018 and 2019 Reporting Periods (1 January 2017 to 31 December 2019) for pre-2017 cases

2017 MAP Statistics													
Category of cases	No. of pre-2017 cases in MAP inventory on 1 January 2017	Number of pre-2017 cases closed during the reporting period by outcome										No. of pre-2017 cases remaining in MAP inventory on 31 December 2017	Average time taken (in months) for closing pre-2017 cases during the reporting period
		Denied MAP access	Objection is not justified	Withdrawn by taxpayer	Unilateral relief granted	Resolved via domestic remedy	Agreement fully eliminating double taxation/fully resolving taxation not in accordance with tax treaty	Agreement partially eliminating double taxation/partially resolving taxation not in accordance with tax treaty	Agreement that there is no tax in accordance with tax treaty	No agreement, including agreement to disagree	Any other outcome		
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13	Column 14
Attribution/Allocation	0	0	0	0	0	0	0	0	0	0	0	0	n.a.
Others	0	0	0	0	0	0	0	0	0	0	0	0	n.a.
Total	0	0	0	0	0	0	0	0	0	0	0	0	n.a.

2018 MAP Statistics													
Category of cases	No. of pre-2017 cases in MAP inventory on 1 January 2018	Number of pre-2017 cases closed during the reporting period by outcome										No. of pre-2017 cases remaining in MAP inventory on 31 December 2018	Average time taken (in months) for closing pre-2017 cases during the reporting period
		Denied MAP access	Objection is not justified	Withdrawn by taxpayer	Unilateral relief granted	Resolved via domestic remedy	Agreement fully eliminating double taxation/fully resolving taxation not in accordance with tax treaty	Agreement partially eliminating double taxation/partially resolving taxation not in accordance with tax treaty	Agreement that there is no tax in accordance with tax treaty	No agreement, including agreement to disagree	Any other outcome		
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13	Column 14
Attribution/Allocation	0	0	0	0	0	0	0	0	0	0	0	0	n.a.
Others	0	0	0	0	0	0	0	0	0	0	0	0	n.a.
Total	0	0	0	0	0	0	0	0	0	0	0	0	n.a.

2019 MAP Statistics																								
Category of cases	No. of pre-2017 cases in MAP inventory on 1 January 2019	Number of pre-2017 cases closed during the reporting period by outcome										No. of pre-2017 cases remaining in MAP inventory on 31 December 2019	Average time taken (in months) for closing pre-2017 cases during the reporting period											
		Denied MAP access	Objection is not justified	Withdrawn by taxpayer	Unilateral relief granted	Resolved via domestic remedy	Agreement fully eliminating double taxation/fully resolving taxation not in accordance with tax treaty	Agreement partially eliminating double taxation/partially resolving taxation not in accordance with tax treaty	Agreement that there is no taxation not in accordance with tax treaty	No agreement, including agreement to disagree	Any other outcome			Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13
Attribution/Allocation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.a.
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.a.
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.a.



## Annex C

## MAP Statistics Reporting for the 2017, 2018 and 2019 Reporting Periods (1 January 2017 to 31 December 2019) for post-2016 cases

2017 MAP Statistics															
Category of cases	No. of post-2016 cases in MAP inventory on 1 January 2017	No. of post-2016 cases started during the reporting period	Number of post-2016 cases closed during the reporting period by outcome							No. of post-2016 cases remaining in on MAP inventory on 31 December 2017	Average time taken (in months) for closing post-2016 cases during the reporting period				
			Denied MAP access	Objection is not justified	Withdrawn by taxpayer	Unilateral relief granted	Resolved via domestic remedy	Agreement fully eliminating double taxation/fully resolving taxation not in accordance with tax treaty	Agreement partially eliminating double taxation/partially resolving taxation not in accordance with tax treaty			Agreement that there is no taxation not in accordance with tax treaty	No agreement, including agreement to disagree	Any other outcome	
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13	Column 14	Column 15	
Attribution/Allocation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.a.
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.a.
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.a.

2018 MAP Statistics															
Category of cases	No. of post-2016 cases in MAP inventory on 1 January 2018	No. of post-2016 cases started during the reporting period	Number of post-2016 cases closed during the reporting period by outcome							No. of post-2016 cases remaining in on MAP inventory on 31 December 2018	Average time taken (in months) for closing post-2016 cases during the reporting period				
			Denied MAP access	Objection is not justified	Withdrawn by taxpayer	Unilateral relief granted	Resolved via domestic remedy	Agreement fully eliminating double taxation/fully resolving taxation not in accordance with tax treaty	Agreement partially eliminating double taxation/partially resolving taxation not in accordance with tax treaty			Agreement that there is no taxation not in accordance with tax treaty	No agreement, including agreement to disagree	Any other outcome	
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13	Column 14	Column 15	
Attribution/Allocation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.a.
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.a.
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.a.

2019 MAP Statistics															
Category of cases	No. of post-2016 cases in MAP inventory on 1 January 2019	No. of post-2016 cases started during the reporting period	Number of post-2016 cases closed during the reporting period by outcome								No. of post-2016 cases remaining in on MAP inventory on 31 December 2019	Average time taken (in months) for closing post-2016 cases during the reporting period			
			Denied MAP access	Objection is not justified	Withdrawn by taxpayer	Unilateral relief granted	Resolved via domestic remedy	Agreement fully eliminating double taxation/fully resolving taxation not in accordance with tax treaty	Agreement partially eliminating double taxation/partially resolving taxation not in accordance with tax treaty	Agreement that there is no taxation not in accordance with tax treaty			No agreement, including agreement to disagree	Any other outcome	
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13	Column 14	Column 15	
Attribution/Allocation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.a.
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.a.
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.a.

## *Glossary*

<b>Action 14 Minimum Standard</b>	The minimum standard as agreed upon in the final report on Action 14: Making Dispute Resolution Mechanisms More Effective
<b>MAP Statistics Reporting Framework</b>	Rules for reporting of MAP statistics as agreed by the FTA MAP Forum
<b>Multilateral Instrument</b>	Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting
<b>OECD Model Tax Convention</b>	OECD Model Tax Convention on Income and on Capital as it read on 21 November 2017
<b>OECD Transfer Pricing Guidelines</b>	OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations
<b>Pre-2017 cases</b>	MAP cases in a competent authority’s inventory that are pending resolution on 31 December 2016
<b>Post-2016 cases</b>	MAP cases that are received by a competent authority from the taxpayer on or after 1 January 2017
<b>Review Period</b>	Period for the peer review process that started on 1 January 2017 and ended on 31 December 2019
<b>Statistics Reporting Period</b>	Period for reporting MAP statistics that started on 1 January 2017 and that ended on 31 December 2019
<b>Terms of Reference</b>	Terms of reference to monitor and review the implementing of the BEPS Action 14 Minimum Standard to make dispute resolution mechanisms more effective

## **OECD/G20 Base Erosion and Profit Shifting Project**

# **Making Dispute Resolution More Effective – MAP Peer Review Report, Oman (Stage 1)**

### **INCLUSIVE FRAMEWORK ON BEPS: ACTION 14**

Under Action 14, countries have committed to implement a minimum standard to strengthen the effectiveness and efficiency of the mutual agreement procedure (MAP). The MAP is included in Article 25 of the OECD Model Tax Convention and commits countries to endeavour to resolve disputes related to the interpretation and application of tax treaties. The Action 14 Minimum Standard has been translated into specific terms of reference and a methodology for the peer review and monitoring process.

The peer review process is conducted in two stages. Stage 1 assesses countries against the terms of reference of the minimum standard according to an agreed schedule of review. Stage 2 focuses on monitoring the follow-up of any recommendations resulting from jurisdictions' Stage 1 peer review report. This report reflects the outcome of the Stage 1 peer monitoring of the implementation of the Action 14 Minimum Standard by Oman.



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