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INCOME TAX ACT (CHAPTER 134)

INCOME TAX (SINGAPORE — OMAN) (AVOIDANCE OF DOUBLE TAXATION AGREEMENT) (MODIFICATIONS TO IMPLEMENT MULTILATERAL INSTRUMENT) ORDER 2020

ARRANGEMENT OF PARAGRAPHS

Paragraph

1. Citation and commencement
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In exercise of the powers conferred by section 49(7) of the Income Tax Act, the Minister for Finance makes the following Order:

Citation and commencement

1. This Order is the Income Tax (Singapore — Oman) (Avoidance of Double Taxation Agreement) (Modifications to Implement Multilateral Instrument) Order 2020 and comes into operation on 1 November 2020.

Purpose

2.—(1) This Order amends the arrangements made between the Government of the Republic of Singapore and the Government of the Sultanate of Oman as specified in the Schedule to the Income Tax (Singapore — Oman) (Avoidance of Double Taxation Agreement) Order 2006 (G.N. No. S 222/2006) (called in this Order the Agreement).

(2) The purpose of this Order is to amend the Agreement to give effect to Singapore's obligations under the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting done at Paris on 24 November 2016 (as amended from time to time).

Amendment of Agreement

3. The provisions of the Agreement are amended in the manner set out in the Schedule.

Entry into effect

4.—(1) Paragraph 5 of the Schedule has effect for a case presented on or after 1 November 2020 without regard to the basis period to which the case relates.

(2) Sub-paragraph (1) does not apply to a case that was not eligible to be presented immediately before 1 November 2020.

(3) All other paragraphs of the Schedule have effect —

(a) with respect to taxes withheld at source, in respect of amounts paid, deemed paid or liable to be paid (whichever is the earliest), on or after 1 January 2021; and

(b) with respect to taxes other than those withheld at source, where the income is derived or received in a basis period beginning on or after 1 May 2021.

THE SCHEDULE

Paragraphs 3 and 4(1) and (3)

Deletion and replacement of Preamble

1. The Preamble of the Agreement is deleted and replaced by the following Preamble:

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

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

Have agreed as follows:”.

Amendment of Article 10

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

Amendment of Article 11

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

Amendment of Article 12

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

Amendment of Article 24

5. Article 24 (Mutual Agreement Procedure) of the Agreement is amended —

(a) by replacing the second sentence of paragraph 1 with the following sentence:

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

(b) by inserting, immediately after the words “the interpretation or application of the Agreement.” in paragraph 3, the words “They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.”.

THE SCHEDULE — *continued***New Article 26A**

6. The Agreement is amended by inserting, immediately after Article 26 (Members of Diplomatic Missions and Consular Posts), the following Article:

“ARTICLE 26A

PREVENTION OF TREATY ABUSE

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

Made on 19 October 2020.

TAN CHING YEE
*Permanent Secretary,
Ministry of Finance,
Singapore.*

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