

**AGREEMENT**  
**BETWEEN**  
**THE KINGDOM OF BELGIUM**  
**AND**  
**THE SULTANATE OF OMAN**  
**FOR THE AVOIDANCE**  
**OF DOUBLE TAXATION**  
**AND**  
**THE PREVENTION OF FISCAL EVASION**  
**WITH RESPECT TO TAXES ON INCOME**

**AGREEMENT  
BETWEEN  
THE KINGDOM OF BELGIUM  
AND  
THE SULTANATE OF OMAN  
FOR THE AVOIDANCE  
OF DOUBLE TAXATION  
AND  
THE PREVENTION OF FISCAL EVASION  
WITH RESPECT TO TAXES ON INCOME**

**THE GOVERNMENT OF THE KINGDOM OF BELGIUM,**

**AND**

**THE GOVERNMENT OF THE SULTANATE OF OMAN,**

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

**HAVE AGREED** as follows:

## **CHAPTER I**

### **SCOPE OF THE AGREEMENT**

#### **Article 1**

##### **Persons covered**

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

#### **Article 2**

##### **Taxes covered**

1. This Agreement shall apply to taxes on income imposed on behalf of a Contracting State or of its political subdivisions or local authorities, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income all taxes imposed on total income or on elements of income, including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.
3. The existing taxes to which the Agreement shall apply are in particular:
  - a) in the case of the Sultanate of Oman:
    - (i) the company income tax imposed under Royal Decree No. 47/1981 as amended; and
    - (ii) the profit tax on establishments imposed under Royal Decree No. 77/1989 as amended;(hereinafter referred to as “Omani tax”)
  - b) in the case of the Kingdom of Belgium:
    - (i) the individual income tax;
    - (ii) the corporate income tax;
    - (iii) the income tax on legal entities;
    - (iv) the income tax on non-residents;
    - (v) the supplementary crisis contribution,

including the prepayments and the surcharges on these taxes and prepayments, (hereinafter referred to as “Belgian tax”).

4. The Agreement shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of the Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any significant changes that have been made in their respective taxation laws within a reasonable period of time after such changes.

## **CHAPTER II**

### **DEFINITIONS**

#### **Article 3**

##### **General definitions**

1. For the purposes of this Agreement, unless the context otherwise requires:
  - a) the term “Sultanate of Oman” means the territory of the Sultanate of Oman and the islands belonging thereto, including the territorial waters and any area outside the territorial waters over which the Sultanate of Oman may, in accordance with international law and the laws of the Sultanate of Oman, exercise sovereign rights with respect to the exploration and exploitation of the natural resources of the sea-bed and the sub-soil and the superjacent waters;
  - b) the term “Kingdom of Belgium” means the territory of the Kingdom of Belgium including the territorial sea and any other area in the sea and in the air within which the Kingdom of Belgium, in accordance with international law, exercises sovereign rights or its jurisdiction;
  - c) the terms “a Contracting State” and “the other Contracting State” mean the Sultanate of Oman or the Kingdom of Belgium as the context requires;
  - d) the term “person” includes an individual, a company and any other body of persons;
  - e) the term “company” means any body corporate or any entity that is treated as a body corporate for tax purposes;
  - f) the terms “enterprise of a Contracting State” and “enterprise of the other Contracting State” mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
  - g) the term “international traffic” means any transport by a ship or aircraft operated by an enterprise that has its place of effective management in a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;

- h) the term “national”, in relation to a Contracting State, means:
    - (i) any individual possessing the nationality of that Contracting State; and
    - (ii) any legal person, partnership or association deriving its status as such from the laws in force in that Contracting State;
  - i) the term “competent authority” means:
    - (i) in the case of the Sultanate of Oman, the Minister of National Economy and Supervisor of the Ministry of Finance or his authorised representative;
    - (ii) in the case of the Kingdom of Belgium, the Minister of Finance or his authorised representative;
  - j) the term “tax” means Omani tax or Belgian tax, as the context requires, but shall not include any amount which is payable in respect of any default or omission in relation to the taxes to which this Agreement applies or which represents a penalty imposed relating to those taxes.
2. As regards the application of the Agreement at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that State prevailing over a meaning given to the term under other laws of that State.

#### **Article 4**

##### **Resident**

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

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

## **Article 5**

### **Permanent establishment**

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

- f) the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs a) to e), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.
4. Notwithstanding the provisions of paragraphs 1 and 2, where a person - other than an agent of an independent status to whom paragraph 5 applies - is acting in a Contracting State on behalf of an enterprise of the other Contracting State, that enterprise shall be deemed to have a permanent establishment in the first-mentioned State in respect of any activities which that person undertakes for the enterprise, if such a person:
- a) has, and habitually exercises in that State an authority to conclude contracts in the name of the enterprise, unless the activities of such person are limited to those mentioned in paragraph 3 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph; or
  - b) has no such authority, but habitually maintains in the first-mentioned State a stock of goods or merchandise from which he delivers goods or merchandise on behalf of the enterprise.
5. An enterprise of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other Contracting State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business.
6. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

### **CHAPTER III**

#### **TAXATION OF INCOME**

##### **Article 6**

###### **Income from immovable property**

1. Income derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other Contracting State.
2. The term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term shall in any case

include property accessory to immovable property, livestock and equipment used in agriculture (including the breeding and cultivation of fish) and forestry, rights to which the provisions of general law respecting landed property apply. Usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources shall also be considered as “immovable property”. Ships and aircraft shall not be regarded as immovable property.

3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.
4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

## **Article 7**

### **Business profits**

1. The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.
2. Subject to the provisions of paragraph 3, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently.
3. In the determination of the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the business of the permanent establishment including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere. However, no such deduction shall be allowed in respect of amounts, if any, paid (otherwise than towards reimbursement of actual expenses) by the permanent establishment to the head office of the enterprise or any of its other offices, by way of royalties, fees or other similar payments in return for the use of patents or other rights, or by way of commission, for specific services performed or for management, or, except in the case of a banking enterprise, by way of interest on moneys lent to the permanent establishment. Likewise, no account shall be taken, in the determination of the profits of a permanent establishment, for amounts charged (otherwise than towards reimbursement of actual expenses), by the permanent establishment to the head office of the enterprise or any of its other offices, by way of royalties, fees or other similar payments in return for the use of patents or other rights, or by way of commission for specific services performed or for management, or, except in the case of a banking enterprise, by way of interest on moneys lent to the head office of the enterprise or any of its other offices.



4. Insofar as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in paragraph 2 shall preclude that Contracting State from determining the profits to be taxed by such an apportionment as may be customary. The method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles contained in this Article.
5. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.
6. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.
7. Where profits include items of income which are dealt with separately in other Articles of this Agreement, then the provisions of those Articles shall not be affected by the provisions of this Article.

## **Article 8**

### **Shipping and air transport**

1. Profits from the operation of ships or aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.
2. For the purposes of this Article, profits from the operation of ships or aircraft in international traffic shall include in particular :
  - a) profits derived from the lease by the enterprise of ships or aircraft on charter fully equipped, manned and supplied;
  - b) profits derived from the lease by the enterprise on a bare boat charter basis of ships or aircraft used in international traffic where such lease is ancillary to the transportation of passengers or goods or merchandise;
  - c) profits derived from the lease of containers by the enterprise where such lease is ancillary to the transportation of goods or merchandise.
3. For the purposes of this Article, interest on bank accounts directly connected with the operation of ships or aircraft in international traffic shall be regarded as profits derived from the operation of such ships or aircraft, and the provisions of Article 11 shall not apply in relation to such interest.
4. If the place of effective management of a shipping enterprise is aboard a ship, then it shall be deemed to be situated in the Contracting State in which the home harbour of the ship is situated, or, if there is no such home harbour, in the Contracting State of which the operator of the ship is a resident.

5. The provisions of paragraphs 1, 2 and 3 of this Article shall also apply to profits derived from the participation in a pool, a joint business or in an international operating agency.

## **Article 9**

### **Associated enterprises**

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

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

2. Where a Contracting State includes in the profits of an enterprise of that State -and taxes accordingly- profits on which an enterprise of the other Contracting State has been charged to tax in that other State and the profits so included are profits which would have accrued to the enterprise of the first-mentioned State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other State shall make such an adjustment as it considers appropriate to the amount of the tax charged therein on those profits. In determining such adjustment, due regard shall be had to the other provisions of this Agreement and the competent authorities of the Contracting States shall if necessary consult each other.

## **Article 10**

### **Dividends**

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.
2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed:

- a) five (5) per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least ten (10) per cent of the capital of the company paying the dividends;
- b) ten (10) per cent of the gross amount of the dividends in all other cases.

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

- 3. Notwithstanding the provisions of paragraph 2, dividends paid by a company which is a resident of a Contracting State shall be exempt from tax in that State where it is paid to:

- a) in the case of the Sultanate of Oman:

- (i) the Government of the Sultanate of Oman;
- (ii) the Central Bank of Oman;
- (iii) the State General Reserve Fund;
- (iv) any retirement or pension fund organized under Omani laws; and
- (v) any other statutory body or institution wholly or mainly owned by the Government of the Sultanate of Oman, as may be agreed from time to time between the competent authorities of the Contracting States;

- b) in the case of the Kingdom of Belgium:

- (i) the National Bank of Belgium;
- (ii) any pension fund organized under Belgian law and regulated by the Bank Finance and Insurance Commission; and
- (iii) any institution wholly or mainly owned by the Kingdom of Belgium, as may be agreed from time to time between the competent authorities of the Contracting States.

- 4. The term “dividends” as used in this Article means income from shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the State of which the company making the distribution is a resident.
- 5. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case, the provisions of Article 7 or Article 14, as the case may be, shall apply.
- 6. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident of that other State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or a fixed base situated in that other State, nor subject the company’s undistributed profits to a tax on the company’s undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

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

## **Article 11**

### **Interest**

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.
2. However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the beneficial owner of the interest is a resident of the other Contracting State, the tax so charged shall not exceed five (5) per cent of the gross amount of the interest.
3. Notwithstanding the provisions of paragraph 2, interest arising in a Contracting State shall be exempt from tax in that State where it is paid to the other Contracting State or one of its political subdivisions or local authorities or to:
  - a) in the case of the Sultanate of Oman:
    - (i) the Government of the Sultanate of Oman;
    - (ii) the Central Bank of Oman;
    - (iii) the State General Reserve Fund;
    - (iv) any retirement or pension fund organized under Omani laws; and
    - (v) any other statutory body or institution wholly or mainly owned by the Government of the Sultanate of Oman, as may be agreed from time to time between the competent authorities of the Contracting States;
  - b) in the case of the Kingdom of Belgium:
    - (i) the National Bank of Belgium;
    - (ii) any pension fund organized under Belgian law and regulated by the Bank Finance and Insurance Commission; and
    - (iii) any institution wholly or mainly owned by the Kingdom of Belgium, as may be agreed from time to time between the competent authorities of the Contracting States.
4. Notwithstanding the provisions of paragraph 2, interest shall be exempted from tax in the Contracting State in which it arises if it is :
  - (i) interest on commercial debt-claims - including debt-claims represented by commercial paper - resulting from deferred payments for goods, merchandise or services supplied by an enterprise;
  - (ii) interest paid in respect of a loan granted, guaranteed or insured or a credit extended, guaranteed or insured under a scheme organized by a Contracting State

or one of its political subdivisions or local authorities in order to promote the export ;

- (iii) interest on debt-claims or loans of any nature - not represented by bearer instruments - paid to banking enterprises; and
  - (iv) interest on deposits made by an enterprise with a banking enterprise.
5. The term “interest” as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor’s profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.
  6. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State, in which the interest arises, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case, the provisions of Article 7 or Article 14, as the case may be, shall apply.
  7. Interest shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the interest, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the Contracting State in which the permanent establishment or fixed base is situated.
  8. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount of interest. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.
  9. The provisions of this Article shall not apply if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the debt-claim in respect of which the interest is paid to take advantage of this Article by means of that creation or assignment.

## **Article 12**

### **Royalties**

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.
2. However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed eight (8) per cent of the gross amount of the royalties.
3. The term “royalties” as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including computer software, cinematograph films, or films or tapes or discs used for radio or television broadcasting, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.
4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such case, the provisions of Article 7 or Article 14, as the case may be, shall apply.
5. Royalties shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.
6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount of the royalties. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Agreement.
7. The provisions of this Article shall not apply if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the rights in respect of which the royalties are paid to take advantage of this Article by means of that creation or assignment.

## **Article 13**

### **Capital gains**

1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 6 and situated in the other Contracting State may be taxed in that other State.
2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base, may be taxed in that other State.
3. Gains from the alienation of ships or aircraft operated in international traffic or movable property pertaining to the operation of such ships or aircraft shall be taxable only in the Contracting State in which the place of effective management of the enterprise is situated.
4. Gains from the alienation of any property other than that referred to in paragraphs 1, 2 and 3, shall be taxable only in the Contracting State of which the alienator is a resident.

## **Article 14**

### **Independent personal services**

1. Income derived by a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that State unless he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities. If he has such a fixed base, the income may be taxed in the other State but only so much of it as is attributable to that fixed base.
2. The term “professional services” includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists and accountants.

## **Article 15**

### **Income from employment**

1. Subject to the provisions of Articles 16, 17 and 19 of this Agreement, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:
  - a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the taxable year concerned, and
  - b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and
  - c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.
3. Notwithstanding the preceding paragraphs of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic, may be taxed in the Contracting State in which the place of effective management of the enterprise is situated.

## **Article 16**

### **Company directors and managers**

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

The preceding provision shall also apply to payments derived in respect of the discharge of functions which, under the laws of the Contracting State of which the company is a resident, are regarded as functions of a similar nature as those exercised by a person referred to in the said provision.

2. Remuneration derived by a person referred to in paragraph 1 from a company which is a resident of a Contracting State in respect of the discharge of day-to-day functions of a managerial or technical, commercial or financial nature and remuneration received by a resident of a Contracting State in respect of his day-to-day activity as a partner of a company, other than a company with share capital, which is a resident of a Contracting State, may be taxed in accordance with the provisions of Article 15, as if such remuneration were remuneration derived by an employee in respect of an employment and as if references to the "employer" were references to the company.



## **Article 17**

### **Artistes and sportspersons**

1. Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsperson, from that resident's personal activities as such exercised in the other Contracting State, may be taxed in that other State.
2. Where income in respect of personal activities exercised by an entertainer or a sportsperson in the individual's capacity as such accrues not to the entertainer or sportsperson personally but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the Contracting State in which the activities of the entertainer or sportsperson are exercised.
3. Income derived by an entertainer or a sportsperson from activities exercised in a Contracting State shall be exempt from tax in that State, if the visit to that State is supported wholly or mainly by public funds of the other Contracting State or a political subdivision or a local authority thereof and in the case of the Sultanate of Oman a statutory body thereof, provided that such activities are not carried out for the purpose of profits.

## **Article 18**

### **Pensions and social security payments**

1. Pensions and other similar remuneration paid to a resident of a Contracting State in consideration of past employment may be taxed in the Contracting State in which they arise.
2. The provisions of paragraph 1 shall also apply to pensions and other similar remuneration paid under the social security legislation of a Contracting State or under a public scheme organised by that State in order to supplement the benefits of its social security legislation.

## **Article 19**

### **Government service**

1. a) Salaries, wages and other similar remuneration, other than a pension, paid by a contracting State or a political subdivision or a local authority or a statutory body thereof to an individual in respect of services rendered to that State, subdivision, authority or body shall be taxable only in that State.

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

## **Article 20**

### **Students and apprentices**

- 1. A student or business apprentice who is or was a resident of a Contracting State immediately before visiting the other Contracting State and who is present in that other Contracting State solely for the purpose of his education or training, shall be exempt from tax in that other Contracting State on:
  - a) payments arising from sources outside that other Contracting State and made to him for the purpose of his maintenance, education or training; and
  - b) remuneration, which he derives from employment exercised in that other Contracting State, not exceeding ten thousand (10,000) Euro or its equivalent amount in the currency of Oman during any taxable year, provided that such employment is directly related to his studies or is undertaken for the purpose of his maintenance.
- 2. The exemption under this Article shall apply only for such period of time as may be reasonable or customarily required to complete the education or training undertaken.

## **Article 21**

### **Other income**

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

## **CHAPTER IV**

### **METHODS FOR ELIMINATION OF DOUBLE TAXATION**

## **Article 22**

### **Elimination of double taxation**

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

Where a resident of the Sultanate of Oman derives income which, in accordance with the provisions of this Agreement, may be taxed in the Kingdom of Belgium, the Sultanate of Oman shall allow as a deduction from the tax on the income of that resident an amount equal to the income tax paid in the Kingdom of Belgium, whether directly or by deduction. Such deduction shall not, however, exceed that part of the income tax (as computed before the deduction is given) which is attributable to the income which may be taxed in the Kingdom of Belgium.
2. In the Kingdom of Belgium, double taxation shall be avoided as follows:
  - a) Where a resident of the Kingdom of Belgium derives income, not being dividends, interest or royalties, which is taxed in the Sultanate of Oman in accordance with the provisions of this Agreement, the Kingdom of Belgium shall exempt such income from tax but may, in calculating the amount of tax on the

remaining income of that resident, apply the rate of tax which would have been applicable if such income had not been exempted.

Notwithstanding the provisions of this sub-paragraph and any other provision of this Agreement, the Kingdom of Belgium shall, for the determination of the additional taxes established by Belgian municipalities and conurbations (agglomeraties/agglomérations), take into account the earned income that is exempted from tax in the Kingdom of Belgium in accordance with this sub-paragraph. These additional taxes shall be calculated on the tax which would be payable in the Kingdom of Belgium as if the earned income in question had been derived from Belgian sources.

- b) Dividends derived by a company which is a resident of the Kingdom of Belgium from a company which is a resident of the Sultanate of Oman, shall be exempted from the corporate income tax in the Kingdom of Belgium under the conditions and within the limits provided for in Belgian Law.
  - c) Subject to the provisions of Belgian law regarding the deduction from Belgian tax of taxes paid abroad, where a resident of the Kingdom of Belgium derives items of his aggregate income for Belgian tax purposes which are interest or royalties, the Omani tax levied on that income shall be allowed as a credit against Belgian tax relating to such income.
  - d) Where, in accordance with Belgian law, losses incurred by an enterprise carried on by a resident of the Kingdom of Belgium in a permanent establishment situated in the Sultanate of Oman, have been effectively deducted from the profits of that enterprise for its taxation in the Kingdom of Belgium, the exemption provided for in sub-paragraph a) shall not apply in the Kingdom of Belgium to the profits of other taxable periods attributable to that establishment to the extent that those profits have also been exempted from tax in the Sultanate of Oman by reason of compensation for the said losses.
3. For the application of paragraphs 1 and 2 c) of this Article, the tax paid in a Contracting State mentioned in paragraphs 1 and 2 of this Article shall be deemed to include the tax which would have been payable but for the tax incentives granted under the laws of that Contracting State and which are designed to promote economic development.

**CHAPTER V**  
**SPECIAL PROVISIONS**

**Article 23**

**Non-discrimination**

1. Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances, in particular with respect to residence, are or may be subjected. This provision shall notwithstanding the provisions of Article 1, also apply to persons who are not residents of one or both of the Contracting States.
2. Stateless persons who are residents of a Contracting State shall not be subjected in either Contracting State to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of the State concerned in the same circumstances, in particular with respect to residence, are or may be subjected.
3. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that State than the taxation levied on enterprises of that other State carrying on the same activities. This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.
4. Except where the provisions of paragraph 1 of Article 9, paragraph 8 of Article 11, or paragraph 6 of Article 12, apply interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned State.
5. Enterprises of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.

## **Article 24**

### **Mutual agreement procedure**

1. Where a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Agreement, he may, irrespective of the remedies provided by the domestic law of those States, present his case to the competent authority of the Contracting State of which he is a resident, or if his case comes under paragraph 1 of Article 23, to that of the Contracting State of which he is a national. 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.
2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation which is not in accordance with the Agreement. Any agreement reached shall be implemented notwithstanding any time-limits in the domestic law of the Contracting States.
3. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Agreement.
4. The competent authorities of the Contracting States may agree on administrative measures necessary to carry out the provisions of the Agreement. Such administrative measures shall not go beyond what is necessary for the application of the Agreement.
5. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs.

## **Article 25**

### **Exchange of information**

1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Agreement or of the domestic laws of the Contracting States concerning taxes covered by this Agreement insofar as the taxation thereunder is not contrary to the Agreement, in particular for the prevention of fiscal evasion. The exchange of information is not restricted by Article 1. Any information received by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to the taxes covered by the Agreement. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on a Contracting State the obligation:
  - a) to carry out administrative measures at variance with the laws and the administrative practice of that or of the other Contracting State;
  - b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;
  - c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (ordre public).

## **Article 26**

### **Assistance in the collection of taxes**

1. The Contracting States undertake to lend assistance to each other in the notification and the collection of taxes covered by this Agreement, together with interest, administrative penalties and fines of a non penal nature.
2. Requests for assistance by a Contracting State in the collection of these taxes shall include a certification by the competent authority of that State that, under the laws of that State, the said taxes have been finally determined. For the purposes of this Article, a tax is finally determined when a Contracting State has the right under its internal law to collect the tax and the taxpayer has no further right to restrain collection.
3. Requests referred to in paragraph 2 shall be supported by an official copy of the instrument permitting the execution, accompanied where appropriate, by an official copy of any final administrative or judicial decision.
4. The request of a Contracting State that has been accepted for notification or collection by the other Contracting State shall be fulfilled by this other State as though such request were related to its own tax.
5. With regard to tax claims which are open to appeal, the competent authority of a Contracting State may, in order to safeguard its rights, request the competent authority of the other Contracting State to take protective measures. The request of the Contracting State that has been accepted shall be fulfilled by this other State as though such request were related to its own tax.
6. Amounts collected by the competent authority of a Contracting State pursuant to this Article shall be forwarded to the competent authority of the other Contracting State. Except where the competent authorities of the Contracting States otherwise agree, the ordinary expenses incurred in providing tax notification or tax collection assistance shall be borne by the requested State.
7. Nothing in this Article shall be construed so as to impose on a Contracting State the obligation:

- a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;
- b) to carry out measures which would be contrary to public policy (ordre public);
- c) to provide assistance if the other Contracting State has not pursued all reasonable measures of collection, available under its laws or administrative practice;
- d) to provide assistance in those cases where the administrative burden for that State is clearly disproportionate to the benefit to be derived by the other Contracting State.

## **Article 27**

### **Members of diplomatic missions and consular posts**

1. Nothing in this Agreement shall affect the fiscal privileges of members of diplomatic missions or consular posts under the general rules of international law or under the provisions of special agreements.
2. Notwithstanding the provisions of paragraph 1 of Article 4 of this Agreement, a member of a diplomatic or permanent mission or consular post of a Contracting State or of any third State which is situated in the other Contracting State shall not be deemed to be a resident of the other State for the purposes of this Agreement if he is subject to tax on income in that other State only if he derives income from sources therein.

## **Article 28**

### **Protocol to the Agreement**

The attached Protocol is an integral part of the Agreement.

## **CHAPTER VI**

### **FINAL PROVISIONS**

## **Article 29**

### **Entry into force**

Each of the Contracting States shall notify the other Contracting State through diplomatic channels of the completion of the procedures required by its laws for the bringing into force of



this Agreement. This Agreement shall enter into force on the date of the later of these notifications and shall thereupon have effect as follows:

- a) in the case of the Sultanate of Oman:
  - i) with respect to taxes withheld at source: for amounts paid or credited on or after the first day of January of the tax year next following the tax year in which this Agreement enters into force, and
  - ii) with respect to other taxes: for any tax year commencing on or after the first day of January of the tax year next following the tax year in which this Agreement enters into force;
- b) in the case of the Kingdom of Belgium:
  - i) with respect to taxes due at source: on income credited or payable on or after the first day of January of the year next following the year in which the Agreement entered into force; and
  - ii) with respect to other taxes: on income of taxable periods beginning on or after the first day of January of the year next following the year in which the Agreement entered into force.

### **Article 30**

#### **Termination**

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

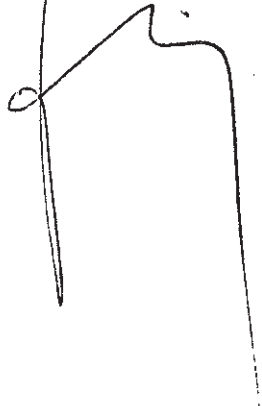
- a) in the case of the Sultanate of Oman:
  - i) with respect to taxes withheld at source: for amounts paid or credited on or after the first day of January of the tax year next following the tax year in which the notice of such termination is given, and
  - ii) with respect to other taxes: for any tax year commencing on or after the first day of January of the tax year next following the tax year in which the notice of such termination is given;
- b) in the case of the Kingdom of Belgium:
  - i) with respect to taxes due at source: on income credited or payable from the first day of January of the year next following the year in which the notice of termination is given; and

- i) with respect to other taxes: on income of taxable periods beginning on or after the first day of January of the year next following the year in which the notice of termination is given.

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

DONE at ~~Amman~~ this day ..... of .....14. .... AH, corresponding to .....200..... in two identical originals each in the French, Dutch, Arabic, and English languages, all four texts being equally authentic. In case of any divergence between the texts, the English text shall prevail.

**FOR THE GOVERNMENT OF THE  
KINGDOM OF BELGIUM:**



**FOR THE GOVERNMENT OF THE  
SULTANATE OF OMAN:**



## Protocol

At the time of signing the Agreement between the Sultanate of Oman and the Kingdom of Belgium for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the undersigned have agreed upon the following provisions which shall form an integral part of the Agreement.

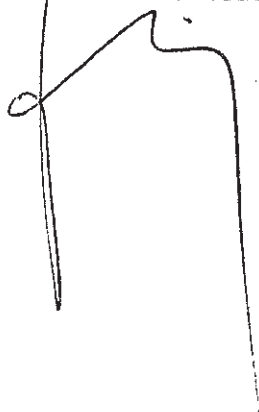
1. In the case of the Sultanate of Oman, the Agreement shall also apply to any individual domiciled in the Sultanate of Oman who has a permanent home, his center of vital interest or habitual abode in the Sultanate of Oman.
2. With reference to Article 7, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, the profits of that permanent establishment shall be determined on the basis of and to the extent of the actual activity carried on by that permanent establishment. Likewise, in the case of contracts for works and/or services executed, the profits of the permanent establishment shall be determined on the basis of that part of the contract, which is actually carried out by that permanent establishment.
3. In the case of the Kingdom of Belgium, the term “dividends” as used in Article 10 also means income –even paid in the form of interest- which is subjected to the same tax treatment as income from shares under Belgian law.
4. In the application of Article 11 paragraph 4, with respect to the Kingdom of Belgium, it is understood that the provisions of subparagraph (ii) shall apply in any of the following cases:
  - a) to interest of a loan or a credit for which a financial support is granted after advice of the Committee for financial support to export (“Finexpo”);
  - b) to interest of a loan or a credit granted by the Association for the coordination of medium-term financing of Belgian export (“Creditexport”);
  - c) to interest of a loan or a credit insured by the National Office of Del Credere.
5. With reference to Article 11, paragraph 5, in the case of the Kingdom of Belgium, interest treated as dividends under paragraph 3 of this Protocol shall not be regarded as interest for the purpose of Article 11.
6. With reference to Articles 7 and 14, payments for technical services shall be deemed to be payments subject to the provisions of Article 7 or Article 14, as the case may be.
7. With reference to Article 15, paragraph 1, an employment is exercised in a Contracting State when the activity in respect of which the salaries, wages and other similar remuneration are paid, is effectively carried on in that State. This means that the employee is physically present in that State for carrying on the activity there.
8. With reference to the Agreement, the term “statutory body” in the case of the Sultanate of Oman means a body constituted in the Sultanate of Oman by a Royal Decree and in the case of the Kingdom of Belgium it means any entity owned by the Kingdom of Belgium or a body constituted by Belgian law.

9. The provisions of Article 23 will not be fully implemented by the Sultanate of Oman until the Sultanate of Oman harmonises the tax rates applicable to enterprises which are carrying on activities in the Sultanate of Oman.
10. Notwithstanding the provisions of any Article of this Agreement, a resident of a Contracting State who, as a consequence of domestic law concerning incentives to promote foreign investment, is exempted from tax or is subject to tax at a reduced rate in that Contracting State on income, shall not receive the benefit of any reduction in or exemption from tax provided for in this Agreement by the other Contracting State if the main purpose or one of the main purposes of such resident or a person related to such resident was to obtain the benefits of this Agreement.

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

Done at *Muscat* this day *15/12* of ....1429AH, corresponding to *16/12/2008* in two identical originals each in the French, Dutch, Arabic, and English languages, all four texts being equally authentic. In case of any divergence between the texts, the English text shall prevail.

**FOR THE GOVERNMENT OF THE  
KINGDOM OF BELGIUM:**



**FOR THE GOVERNMENT OF THE  
SULTANATE OF OMAN:**

