

# Oman: BEPS developments

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## In brief

Oman has joined the “Inclusive Framework on BEPS,” becoming the 103<sup>rd</sup> country to join, the OECD announced on October 20. Multinational groups operating in Oman should monitor developments carefully in respect of any Oman tax rule changes due to this development.

## In detail

The Inclusive Framework on BEPS brings together countries and jurisdictions to collaborate on implementing the OECD/G20 Base Erosion and Profit Shifting (BEPS) Package.

By joining the group, Oman has pledged to adopt minimum standards developed in 2015 by OECD and G20 nations, with input by other nations, in response to the base erosion profit shifting (BEPS) plan.

BEPS refers to tax planning strategies that are claimed to exploit gaps in tax rules to artificially shift profits to

low or no-tax jurisdictions where there is little or no economic activity.

BEPS is of particular significance for developing countries that rely heavily on corporate income tax, especially from multinational enterprises.

The commitment means that Oman will adopt provisions to prevent tax treaty shopping, implement country-by-country reporting on multinationals and exchange country-by-country reports, limit benefits of any intellectual property or other preferential tax regimes established in

Oman, and fully implement the mutual agreement procedure in its tax treaties with other countries to aid resolution of tax disputes. In return, Oman will be permitted to work alongside other BEPS inclusive framework countries on an equal footing to ensure widespread adoption of the BEPS minimum standards.

## The takeaway

Multinational companies operating in Oman should carefully monitor local legislative and tax authority developments.

## **Let's talk**

For a deeper discussion of how this issue might affect your business, please contact the following:

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