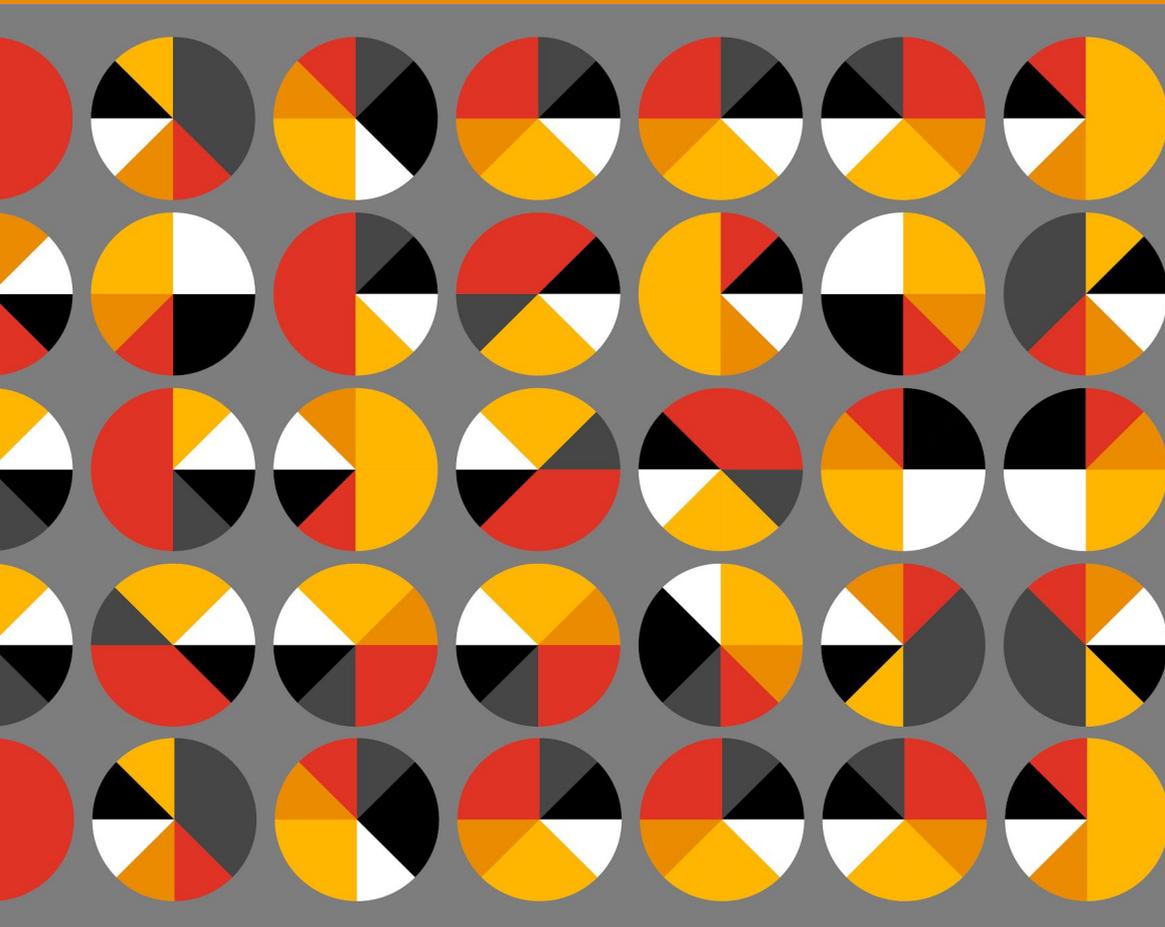


# Oman: Oman suspends 'local filing' of Country by Country Report (CbCR)

July 2021



## In brief

On 7 July 2021, the Oman Tax Authority announced suspension of the 'local filing' requirement under the existing Country by Country Report (CbCR) legislation (i.e. Ministerial Decision 79 of 2020).

Accordingly, the Omani resident entities of Multinational Groups headquartered outside Oman will not be required to submit the CbCR in Oman in any situation until further notice. However, the other obligations i.e. CbCR notification requirements will continue to apply.

## In detail

On 27 September 2020, Oman introduced CbCR requirements vide Ministerial Decision 79/ 2020. The CbCR requirements are applicable for reporting years beginning on or after 1 January 2020.

Entities resident in Oman and part of Multinational Groups with more than OMR 300 million of consolidated revenue are required to submit a notification to the Oman Tax Authority disclosing the jurisdiction in which the CbCR is submitted. Further, in case the local entity in Oman is the Ultimate Parent Entity (UPE) / Surrogate Parent Entity (SPE) of the Group, it is required to submit the CbCR within 12 months from the end of the reporting year.

The decision further includes a 'local filing' requirement, based on which the Oman resident entity of the applicable Groups, which is not the UPE or SPE will also be required to submit the CbCR report in Oman. The 'local filing' is required if any of the conditions below is met:

- The UPE of the MNE Group is not obligated to file CbCR in its jurisdiction and the Group has not designated any SPE with CbCR filing obligation in SPE jurisdiction; or
- The jurisdiction in which the UPE / SPE is a tax resident is a party in an existing international agreement with Oman, but it is not a party to a qualifying agreement for exchange of CbCR; or
- Oman is notified of a systemic failure to exchange CbCR by the jurisdiction of UPE/ SPE of the Group.

In summary, 'local filing' is required when Oman is unable to receive the CbCR filed in other jurisdictions through automatic exchange of information.

Based on the latest information updated on the OECD website as of 12 March 2021, Oman has activated exchange relationships with 27 jurisdictions, which are all non-reciprocal. This means that Oman will only share CbCR report to these 27 jurisdictions while receiving no CbCR report from any jurisdiction. In view of this and based on the local filing conditions above, most of the Multinational Groups operating in Oman may have been required to undertake local filing of CbCR in Oman.

Also, In accordance with the OECD guidance, in case a jurisdiction is non-reciprocal, it should not apply local filing requirements as such.

In light of this, on 7 July 2021, the Oman Tax Authority published an announcement suspending the requirement of local filing of CbCR until further notice.

## PwC comments

It appears that Oman has suspended the 'local filing' requirement based on the OECD requirements, as it only has non-reciprocal exchange relationships. Hence, until Oman activates the reciprocal relationships, it is likely that the local filing requirement will remain suspended.

Further, considering that the existing non-reciprocal relationships become active from 1 Jan 2021 only, the local filing requirement should remain suspended at least for the reporting years beginning before 1 Jan 2021.

However, there is no indication on any of the above timelines as such in the announcement by the Oman Tax Authority and they may lift the suspension any time.

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## Let's Talk

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

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