

MINISTRY OF FINANCE**(Department of Revenue)****NOTIFICATION**

New Delhi, the 25th June, 2025

(INCOME-TAX)

S.O. 2858(E).— Whereas, a Protocol amending the Agreement between the Republic of India and the Sultanate of Oman for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, was signed at Muscat on the 27th day of January, 2025, as set out in the Annexure to this notification (hereinafter referred to as the Protocol);

And whereas, the said Protocol entered into force on the 28th day of May, 2025, being the date of receipt of the later of the notifications of the completion of the procedures required by the respective laws of the Contracting States for entry into force of the said Protocol, in accordance with paragraph 2 of Article 15 of the said Protocol;

And whereas, sub-paragraph (a) of paragraph 3 of Article 15 of the said Protocol provides that the provisions of the Agreement shall thereupon have effect in India in respect of income derived in any fiscal year beginning on or after the first day of April following the date on which the Protocol enters into force.

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 90 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies that all the provisions of said Agreement and Protocol, as annexed hereto, shall be given effect to in the Union of India.

ANNEXURE**PROTOCOL AMENDING THE AGREEMENT BETWEEN THE****GOVERNMENT OF THE REPUBLIC OF INDIA****AND****THE GOVERNMENT OF 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 Republic of India and the Government of the Sultanate of Oman,

Desiring to conclude a Protocol to amend the Agreement between the Republic of India and the Sultanate of Oman for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at New Delhi on 2 April 1997 (hereinafter referred to as "the Agreement").

Have agreed as follows:

ARTICLE 1

The Preamble of the Agreement shall be replaced by the following:

“The Government of the Republic of India 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;

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 States);

Have agreed as follows:”

ARTICLE 2

Sub-paragraph (b) of paragraph 1 of Article 2 (Taxes Covered) of the Agreement shall be replaced by the following:

"in the Sultanate of Oman: the income tax;

(hereinafter referred to as "Omani tax")

ARTICLE 3

1. Sub-paragraph (e) of paragraph 1 of Article 3 (General Definitions) of the Agreement shall be replaced by the following:

"The term "competent authority" means in the case of India, the Finance Minister, Government of India or his authorised representative; and in the case of the Sultanate of Oman, the Chairman of Tax Authority or their authorised representative. "

2. Sub-paragraph (g) (ii) of paragraph 1 of Article 3 of the Agreement shall be replaced by the following:

" in the case of the Sultanate of Oman, 'tax year' as defined in its income tax law;"

ARTICLE 4

Paragraph 3 of Article 4 (Resident) of the Agreement shall be replaced by the following:

"Where a person other than an individual is a resident of both Contracting States, the competent authorities of the Contracting States shall endeavour to determine by mutual agreement the Contracting State of which such person shall be deemed to be a resident for the purposes of this Agreement, having regard to its place of effective management, the place where it is incorporated or otherwise constituted and any other relevant factors. In the absence of such agreement, such person shall not be entitled to any relief or exemption of tax provided by this Agreement except to the extent and in such manner as may be agreed upon by the competent authorities of the Contracting States."

ARTICLE 5

Paragraph 5 of Article 8 (Air Transport) of the Agreement shall be deleted

ARTICLE 6

1. The existing text of Article 10 (Associated Enterprise) shall be numbered as paragraph 1.
2. The following paragraph shall be inserted after paragraph 1 of Article 10 as paragraph 2:

"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 an appropriate adjustment 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 7

In paragraph 2 of Article 13 (Royalties) of the Agreement, the term '15 per cent' shall be replaced by 'ten per cent (10%)'.

ARTICLE 8

In paragraph 2 of Article 14 (Technical Fees) of the Agreement, the term '15 per cent' shall be replaced by 'ten per cent (10%)'.

ARTICLE 9

1. Paragraph 4 of Article 25 (Avoidance of Double Taxation) of the Agreement shall be deleted.
2. Paragraph 5 of Article 25 of the Agreement shall be re-numbered as paragraph 4.

ARTICLE 10

The following new Article 25A shall be inserted after Article 25:

"Article 25A**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. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favorably levied in that other 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. This provision shall not be construed as preventing a Contracting State from charging the profits of a permanent establishment which a company of the other Contracting State has in the first mentioned State at a rate of tax which is higher than that imposed on the profits of a similar company of the first mentioned Contracting State, nor as being in conflict with the provisions of paragraph 3 of Article 7.
3. Except where the provisions of paragraph 1 of Article 10, paragraph 7 of Article 12, paragraph 6 of Article 13 and paragraph 6 of Article 14, apply, interest, royalties, technical fees 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.
4. 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 Contracting 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.

5. The provisions of this Article shall apply only to taxes which are covered by this Agreement.

ARTICLE 11

Article 26 (Mutual Agreement Procedure) of the Agreement shall be replaced by the following:

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 provision 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 25A, 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. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.

4. 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 12

Article 27 of the Agreement shall be replaced by the following:

"Article 27

EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information (including documents or certified copies of the documents) as is foreseeably relevant for carrying out the provisions of this Agreement or of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Articles 1 and 2.
2. 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, the determination of appeals in relation to the taxes referred to in paragraph 1, or the oversight of the above. 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. Notwithstanding the foregoing, information received by a Contracting State may be used for other purposes when such information may be used for such other purposes under the laws of both States and the competent authority of the supplying State authorises such use.
3. In no case shall the provisions of paragraphs 1 and 2 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 (including documents or certified copies of the documents) 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).
4. If the information is requested by a Contracting State in accordance with this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3 but in no case shall such limitations be construed to permit a Contracting State to decline to supply information solely because it has no domestic interest in such information.
5. In no case shall provisions of paragraph 3 be construed to permit a Contracting State to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in person."

ARTICLE 13

The following new Articles 27A and 27B shall be inserted immediately after Article 27 of the Agreement:

"Article 27A

ASSISTANCE IN THE COLLECTION OF TAXES

1. The Contracting States shall lend assistance to each other in the collection of revenue claims. This assistance is not restricted by Articles 1 and 2. The competent authorities of the Contracting States may by mutual agreement settle the mode of application of this Article.
2. The term "revenue claim" as used in this Article means an amount owed in respect of taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to this Agreement or any other instrument to which the Contracting States are parties, as well as interest, administrative penalties and costs of collection or conservancy related to such amount.

3. When a revenue claim of a Contracting State is enforceable under the laws of that State and is owed by a person who, at that time, cannot, under the laws of that State, prevent its collection, that revenue claim shall, at the request of the competent authority of that State, be accepted for purposes of collection by the competent authority of the other Contracting State. That revenue claim shall be collected by that other State in accordance with the provisions of its laws applicable to the enforcement and collection of its own taxes as if the revenue claim were a revenue claim of that other State.
4. When a revenue claim of a Contracting State is a claim in respect of which that State may, under its law, take measures of conservancy with a view to ensure its collection, that revenue claim shall, at the request of the competent authority of that State, be accepted for purposes of taking measures of conservancy by the competent authority of the other Contracting State. That other State shall take measures of conservancy in respect of that revenue claim in accordance with the provisions of its laws as if the revenue claim were a revenue claim of that other State even if, at the time when such measures are applied, the revenue claim is not enforceable in the first- mentioned State or is owed by a person who has a right to prevent its collection.
5. Notwithstanding the provisions of paragraphs 3 and 4, a revenue claim accepted by a Contracting State for purposes of paragraph 3 or 4 shall not, in that State, be subject to the time limits or accorded any priority applicable to a revenue claim under the laws of that State by reason of its nature as such. In addition, a revenue claim accepted by a Contracting State for the purposes of paragraph 3 or 4 shall not, in that State, have any priority applicable to that revenue claim under the laws of the other Contracting State.
6. Proceedings with respect to the existence, validity or the amount of a revenue claim of a Contracting State shall only be brought before the courts or administrative bodies of that State. Nothing in this Article shall be construed as creating or providing any right to such proceedings before any court or administrative body of the other Contracting State.
7. Where, at any time after a request has been made by a Contracting State under paragraph 3 or 4 and before the other Contracting State has collected and remitted the relevant revenue claim to the first-mentioned State, the relevant revenue claim ceases to be
 - a. in the case of a request under paragraph 3, a revenue claim of the first- mentioned State that is enforceable under the laws of that State and is owed by a person who, at that time, cannot, under the laws of that State, prevent its collection, or
 - b. in the case of a request under paragraph 4, a revenue claim of the first- mentioned State in respect of which that State may, under its laws, take measures of conservancy with a view to ensure its collection the competent authority of the first-mentioned State shall promptly notify the competent authority of the other State of that fact and, at the option of the other State, the first-mentioned State shall either suspend or withdraw its request.
8. In no case shall the provisions of this Article 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 or conservancy, as the case may be, 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 27B

ENTITLEMENT TO BENEFITS

Notwithstanding the other provisions of this Agreement, a benefit under this Agreement shall not be granted in respect of an item of income 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.”

ARTICLE 14

The Protocol to the Agreement between the Republic of India and the Sultanate of Oman for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income signed on 2 April 1997, shall be deleted.

ARTICLE 15

1. The Contracting States shall notify each other in writing, through diplomatic channels, the completion of the procedures required by the respective laws for the entry into force of this Protocol.
2. This Protocol shall enter into force on the date of the receipt of the later of the notifications referred to in paragraph 1 of this Article.
3. The provisions of the Protocol shall thereupon have effect:
 - a. in India
in respect of income derived in any fiscal year beginning on or after the first day of April following the date on which the Protocol enters into force.
 - b. in the Sultanate of Oman
in respect of income derived in any tax year following the date on which the Protocol enters into force.
4. This Protocol shall remain in effect as long as the Agreement remains in force.

In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed this Protocol.

Done in duplicate at Muscat on this 27th day of January, 2025 corresponding to the 27 Rajab 1446 AH in the Hindi, English and Arabic languages, all the texts being equally authentic. In case of divergent interpretation of the texts, the English text shall prevail.

**FOR THE GOVERNMENT OF THE REPUBLIC
OF INDIA**

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

Ambassador of the Republic of India
to the Sultanate of Oman

Chairman of the Tax Authority

[Notification No. 69/2025/F. No. 501/6/1991-FTD-II]

ANCHAL KHANDELWAL, Director