

**AGREEMENT
BETWEEN THE GOVERNMENT OF THE
SULTANATE OF OMAN AND
THE GOVERNMENT OF THE RUSSIAN FEDERATION
FOR THE ELIMINATION OF DOUBLE
TAXATION WITH RESPECT TO TAXES ON INCOME AND THE PREVENTION OF
TAX EVASION AND AVOIDANCE**

The Government of the Sultanate of Oman and the Government of the Russian Federation,

Desiring to further develop their economic relationship and to enhance their co-operation in tax matters,

Intending to conclude an Agreement for the elimination of double taxation with respect to taxes on income 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:

**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 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 income tax
(hereinafter referred to as “Omani tax”); and
 - (b) in the case of the Russian Federation:

- (i) the tax on profits of organizations; and
 - (ii) the tax on income of individuals
- (hereinafter referred to as “Russian tax”).
- 4. The Agreement shall also apply 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 “Russia” means the Russian Federation, when used in geographical sense, means all the territory of the Russian Federation and also its exclusive economic zone and continental shelf, defined according to the 1982 United Nations Convention on the Law of the Sea;
 - (c) the terms “a Contracting State” and “the other Contracting State” mean the Sultanate of Oman or the Russian Federation 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 term “enterprise” applies to the carrying on of any business;
 - (g) 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;

- (h) the term “international traffic” means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;
 - (i) the term “competent authority” means:
 - (i) in the case of the Sultanate of Oman: The Chairman of the Tax Authority or his authorized representative;
 - (ii) in the case of the Russian Federation: The Ministry of Finance of the Russian Federation or its authorized representative;
 - (j) the term “national”, in relation to a Contracting State, means:
 - (i) any individual possessing the citizenship 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;
 - (k) the term “business” includes the performance of professional services and of other activities of an independent character;
 - (l) the term “pension fund” means any person that is:
 - (i) established under the laws of a Contracting State; and
 - (ii) operated principally to administer or provide pensions, retirement benefits or other similar remuneration;
 - (m) the term “tax” means Omani tax or Russian 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 Contracting 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 Contracting State, is liable to tax therein by reason of his domicile, residence, place of effective management, place of head or main office, place of registration or incorporation, or any other criterion of a similar nature, and also includes that Contracting State

or any statutory body, political subdivision or local authority thereof. This term, however, does not include any person who is liable to tax in that Contracting State in respect only of income from sources in that Contracting State.

2. Where by reason of the provisions of paragraph 1 of this Article 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 Contracting State in which he has a permanent home available to him; if he has a permanent home available to him in both Contracting States, he shall be deemed to be a resident only of the Contracting 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 Contracting State, he shall be deemed to be a resident only of the Contracting State in which he has an habitual abode;
 - (c) if he has an habitual abode in both Contracting States or in neither of them, he shall be deemed to be a resident only of the Contracting State of which he is a national;
 - (d) if he is a national of both Contracting States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.
3. Where by reason of the provisions of paragraph 1 of this Article 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 head or main office, 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 from 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

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; and
 - (f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources.
3. The term “permanent establishment” also encompasses:
- (a) a building site, a construction, assembly or installation project, or supervisory activities in connection therewith, but only if such site, project or activities last more than 9 (nine) months;
 - (b) the furnishing of services, including consultancy services, by an enterprise through employees or other personnel engaged by the enterprise for such purpose, but only if activities of that nature continue (for the same or a connected project) within a Contracting State for a period or periods aggregating more than 6 (six) months within any twelve (12) month period.
4. 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, 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, 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 activity not listed in subparagraphs (a) to (d) of this paragraph, provided that this activity has a preparatory or auxiliary character; or
 - (f) the maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs (a) to (e), of this paragraph, provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.
5. Paragraph 4 of this Article shall not apply to a fixed place of business that is used or maintained by an enterprise if the same enterprise or a closely related enterprise carries on business activities at the same place or at another place in the same Contracting State and:

- (a) that place or other place constitutes a permanent establishment for the enterprise or the closely related enterprise under the provisions of this Article; or
- (b) the overall activity resulting from the combination of the activities carried on by the two enterprises at the same place, or by the same enterprise or closely related enterprises at the two places, is not of a preparatory or auxiliary character,

provided that the business activities carried on by the two enterprises at the same place, or by the same enterprise or closely related enterprises at the two places, constitute complementary functions that are part of a cohesive business operation.

6. Notwithstanding the provisions of paragraphs 1 and 2 of this Article, but subject to the provisions of paragraph 7 of this Article, where a person is acting in a Contracting State on behalf of an enterprise and, in doing so, habitually concludes contracts, or habitually plays the principal role leading to the conclusion of contracts that are routinely concluded without material modification by the enterprise, and these contracts are:

- (a) in the name of the enterprise; or
- (b) for the transfer of the ownership of, or for the granting of the right to use, property owned by that enterprise or that the enterprise has the right to use; or
- (c) for the provision of services by that enterprise,

that enterprise shall be deemed to have a permanent establishment in that Contracting State in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 of this Article 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.

7. Paragraph 6 of this Article shall not apply where the person acting in a Contracting State on behalf of an enterprise of the other Contracting State carries on business in the first-mentioned Contracting State as an independent agent and acts for the enterprise in the ordinary course of that business. Where, however, a person acts exclusively or almost exclusively on behalf of one or more enterprises to which it is closely related, that person shall not be considered to be an independent agent within the meaning of this paragraph with respect to any such enterprise.
8. 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 Contracting State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.
9. For the purposes of this Article, a person or enterprise is closely related to an enterprise if, based on all the relevant facts and circumstances, one has control of the other or both are under the

control of the same persons or enterprises. In any case, a person or enterprise shall be considered to be closely related to an enterprise if one possesses directly or indirectly more than 50% (fifty per cent) of the beneficial interest in the other (or, in the case of a company, more than 50 % (fifty per cent) of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) or if another person or enterprise possesses directly or indirectly more than 50 % (fifty per cent) of the beneficial interest (or, in the case of a company, more than 50% (fifty per cent) of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) in the person and the enterprise or in the two enterprises.

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. Ships and aircraft shall not be regarded as immovable property.
3. The provisions of paragraph 1 of this Article 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 of this Article shall also apply to the income from immovable property of an enterprise.

Article 7

BUSINESS PROFITS

1. The profits of an enterprise of a Contracting State shall be taxable only in that Contracting 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 that other Contracting State but only so much of them as is attributable to that permanent establishment.

2. Subject to the provisions of paragraph 3 of this Article, 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 with the enterprise of which it is a permanent establishment.
3. In determining 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 Contracting State in which the permanent establishment is situated or elsewhere, provided such deductions are in accordance with the provisions of and subject to the limitations of the tax laws of that Contracting State.
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 of this Article 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 of this Article, 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 of an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that Contracting State.
2. The provisions of paragraph 1 of this Article shall also apply to profits derived from the participation in a pool, a joint business or in an international operating agency.
3. For the purposes of this Article, the term "profits from the operation of ships or aircraft in international traffic" of an enterprise, includes in particular:

- (a) income derived from the charter, lease or rental on a bare boat charter basis of ships or aircraft, where such charter, lease or rental is incidental to the operation of ships or aircraft in international traffic;
 - (b) income derived from the use, maintenance or rental of containers, where such use, maintenance or rental is incidental to the operation of ships or aircraft in international traffic;
 - (c) interest on bank accounts directly connected with the operation of ships or aircraft in international traffic.
4. The term “operation of ships or aircraft” means business of transportation by sea or by air of passengers, mail, livestock or goods carried on by the owners, lessees or charterers of ships or aircraft, including the sale of tickets for such transportation on behalf of other enterprises and any other activity directly connected with such transportation.

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 accordance with the provisions of paragraph 1 of this Article, in the profits of an enterprise of that Contracting State - and taxes accordingly - profits on which an enterprise of the other Contracting State has been charged to tax in that other Contracting State, the profits so included are profits which would have accrued to the enterprise of the first-mentioned Contracting State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other Contracting 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.

3. Notwithstanding the provisions of paragraph 1 of this Article, a Contracting State shall not change the profits of an enterprise of that Contracting State in the circumstances referred to in that paragraph after 10 (ten) years from the end of the taxable year in which the profits that would be subjected to such change would, but for the conditions referred to in that paragraph, have accrued to that enterprise. The provisions of this paragraph shall not apply in the case of fraud or willful default.

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 Contracting State.
2. However, dividends paid by a company which is a resident of a Contracting State may also be taxed in that Contracting State according to the laws of that Contracting 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) 10% (ten per cent) of the gross amount of the dividends if the beneficial owner is a company which has owned directly at least twenty per cent (20%) of the capital of the company paying the dividends for the period of 365 (three hundred and sixty five) days ending on the date on which entitlement to the dividends is determined;
 - (b) 15% (fifteen per cent) of the gross amount of the dividends in all other cases.
3. Notwithstanding the provisions of paragraph 2 of this Article, dividends arising in a Contracting State shall be exempt from the tax in this Contracting State provided that they are paid to:
 - (a) in the case of the Sultanate of Oman:
 - (i) the Government of the Sultanate of Oman;
 - (ii) Central Bank of Oman;
 - (iii) the Oman Investment Authority;
 - (iv) the Oman Development Bank;
 - (v) the Export Credit Guarantee Agency S.A.O.C;
 - (vi) the pension funds, and
 - (vii) any other statutory body or institution wholly 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 Russian Federation:

- (i) the Government of the Russian Federation;
- (ii) the Central Bank of the Russian Federation;
- (iii) the pension funds;
- (iv) the Russian Direct Investment Fund;
- (v) State Development Corporation «VEB.RF»;
- (vi) State Corporation for Assistance to Development, Production and Export of Advanced Technology Industrial Product "Rostec";
- (vii) JSC "ROSNANO";
- (viii) State Atomic Energy Corporation "Rosatom";
- (ix) State Space Corporation "Roscosmos", and
- (x) any other institution wholly owned by the Government of the Russian Federation, as may be agreed from time to time between the competent authorities of the Contracting States.

- 4. The provisions of subparagraph (a) of paragraph 2 and paragraph 3 of this Article shall not apply to dividends paid or received by collective investment institutions.
- 5. The provisions of paragraphs 2, 3 and 4 of this Article shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.
- 6. 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 other income which is subjected to the same taxation treatment as income from shares by the laws of the Contracting State of which the company making the distribution is a resident.
- 7. The provisions of paragraphs 1, 2, 3, 4 and 5 of this Article 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, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment. In such case, the provisions of Article 7 of this Agreement shall apply.
- 8. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other Contracting 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

Contracting State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment situated in that other Contracting 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 Contracting State.

Article 11
INTEREST

1. Interest arising in a Contracting State and beneficially owned by a resident of the other Contracting State may be taxed in that other Contracting 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 10% (ten per cent) of the gross amount of the interest.
3. Notwithstanding the provisions of paragraph 2 of this Article, interests arising in a Contracting State shall be exempt from the tax in this Contracting State provided that they are paid to:
 - (a) in the case of the Sultanate of Oman:
 - (i) the Government of the Sultanate of Oman;
 - (ii) Central Bank of Oman;
 - (iii) the Omani Investment Authority;
 - (iv) the Oman Development Bank;
 - (v) the Export Credit Guarantee Agency S.A.O.C;
 - (vi) the pension funds, and
 - (vii) any other statutory body or institution wholly 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 Russian Federation:
 - (i) the Government of the Russian Federation;
 - (ii) the Central Bank of the Russian Federation;
 - (iii) the pension funds;
 - (iv) the Russian Direct Investment Fund;

- (v) State Development Corporation «VEB.RF»;
 - (vi) State Corporation for Assistance to Development, Production and Export of Advanced Technology Industrial Product "Rostec";
 - (vii) JSC "ROSNANO";
 - (viii) State Atomic Energy Corporation "Rosatom";
 - (ix) State Space Corporation "Roscosmos", and
 - (x) any other institution wholly owned by the Government of the Russian Federation, as may be agreed from time to time between the competent authorities of the Contracting States.
4. 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 as well as other income that is subjected to the same taxation treatment as income from money lent by the laws of the Contracting State in which the income arises. Income dealt with in Article 10 of this Agreement and penalty charges for late payment shall not be regarded as interest for the purposes of this Article.
5. The provisions of paragraphs 1 and 2 of this Article 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 and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 of this Agreement shall apply.
6. Interest shall be deemed to arise in a Contracting State when the payer is a resident of that Contracting 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 in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment then such interest shall be deemed to arise in the Contracting State in which the permanent establishment is situated.
7. 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.

Article 12
ROYALTIES

1. Royalties arising in a Contracting State and beneficially owned by a resident of the other Contracting State may be taxed in that other Contracting State.
2. However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that Contracting State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10% (ten 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, or 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 of this Article 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 and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 of this Agreement shall apply.
5. Royalties shall be deemed to arise in a Contracting State when the payer is a resident of that Contracting 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 in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment, then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment 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.

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 of this Agreement and situated in the other Contracting State may be taxed in that other Contracting 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 including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) may be taxed in that other Contracting State.
3. Gains that an enterprise of a Contracting State that operates ships or aircraft in international traffic derives from the alienation of such ships or aircraft, or movable property pertaining to the operation of such ships or aircraft, shall be taxable only in that Contracting State.
4. Gains derived by a resident of a Contracting State from the alienation of shares of a company or comparable interests, such as interests in a partnership, trust or collective investment institution, may be taxed in the other Contracting State if, at any time during the 365 (three hundred and sixty five) days preceding the alienation, these shares or comparable interests derived at least 50% (fifty per cent) of their value directly or indirectly from immovable property, as defined in Article 6 of this Agreement, situated in that other Contracting State, unless such shares or comparable interests are traded on a recognised stock exchange and the resident and persons related to that resident own in the aggregate 5% (five per cent) or less of the class of such shares or comparable interests.
5. The term “recognized stock exchange” mentioned in the preceding paragraph means:
 - (a) any stock exchange established and regulated as such under the laws of either Contracting State; and
 - (b) any other stock exchange agreed upon by the competent authorities of the Contracting states.
6. Gains from the alienation of any property, other than that referred to in paragraphs 1, 2, 3 and 4 of this Article, shall be taxable only in the Contracting State of which the alienator is a resident.

Article 14
INCOME FROM EMPLOYMENT

1. Subject to the provisions of Articles 15, 17 and 18 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 Contracting 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 Contracting State.

2. Notwithstanding the provisions of paragraph 1 of this Article, 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 Contracting State if:
 - (a) the recipient is present in the other Contracting State for a period or periods not exceeding in the aggregate 183 (one hundred and eighty three) days in any 12 (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 Contracting State, and
 - (c) the remuneration is not borne by a permanent establishment which the employer has in the other Contracting State.
3. Notwithstanding the preceding provisions of this Article, remuneration derived by a resident of a Contracting State in respect of an employment, as a member of the regular complement of a ship or aircraft, that is exercised aboard a ship or aircraft operated in international traffic, other than aboard a ship or aircraft operated solely within the other Contracting State, shall be taxable only in the first-mentioned Contracting State.

Article 15

DIRECTORS' FEES

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 of a similar body of a company which is a resident of the other Contracting State may be taxed in that other Contracting State.

Article 16

ENTERTAINERS AND SPORTSPERSONS

1. Notwithstanding the provisions of Article 14 of this Agreement, 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 Contracting State.
2. Where income in respect of personal activities exercised by an entertainer or a sportsperson acting as such accrues not to the entertainer or sportsperson but to another person, that income may, notwithstanding the provisions of Article 14 of this Agreement, 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 statutory body thereof.

Article 17
PENSIONS

1. Subject to the provisions of paragraph 2 of Article 18 of this Agreement, pensions and other similar remuneration paid to a resident of a Contracting State in consideration of past employment shall be taxable only in that Contracting State.
2. Notwithstanding the provisions the preceding paragraph, pensions paid and other payments made under a public scheme which is part of the social security system of a Contracting State shall be taxable only in that Contracting State.

Article 18
GOVERNMENT SERVICE

1.
 - (a) Salaries, wages and other similar remuneration, other than a pension, paid by a Contracting State or a subdivision or local authority or statutory body thereof to an individual in respect of services rendered to that Contracting State or a subdivision or local authority or statutory body shall be taxable only in that Contracting 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 other Contracting State and the individual is a resident of that other Contracting State who:
 - (i) is a national of that other Contracting State; or
 - (ii) did not become a resident of that other Contracting State solely for the purpose of rendering the services.
2.
 - (a) Notwithstanding the provisions of paragraph 1 of this Article, pensions and other similar remuneration paid by, or out of funds which are created by or to which contributions are made by, a Contracting State, subdivision or local authority or statutory body thereof to an individual in respect of services rendered to that Contracting State or subdivision or local authority or statutory body shall be taxable only in that Contracting State.
 - (b) However, such pensions and other similar remuneration shall be taxable only in the other Contracting State if the individual is a resident of, and a national of, that other Contracting State.
3. The provisions of Articles 14, 15, 16 and 17 of this Agreement shall apply to salaries, wages, pensions, and other similar remuneration in respect of services rendered in connection with a

business carried on by a Contracting State or a subdivision or local authority or statutory body thereof.

Article 19

PROFESSORS AND RESEARCHERS

1. An individual who is a resident of a Contracting State immediately before making a visit to the other Contracting State and who, at the invitation of any university, college, school, or other similar educational institution or scientific research institution, licensed under the law of the other Contracting State visits that other Contracting State for a period not exceeding 2 (two) years from the date of his arrival in that other Contracting State solely for the purpose of teaching or research or both at such educational or research institution, shall be exempt from tax in that other Contracting State on any remuneration derived from such teaching or research.
2. This Article shall not apply to income from research if such research is undertaken primarily for the private benefit of a specific person or persons.

Article 20

STUDENTS AND APPRENTICES

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 made to him by persons residing outside that other Contracting State for the purposes of his maintenance, education or training; and
- (b) remuneration from employment in that other Contracting State, provided that such employment is directly related to his studies or is undertaken for the purpose of his maintenance, but shall not exceed 2 (two) years.

Article 21

OTHER INCOME

1. Items of income beneficially owned by a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Agreement shall be taxable only in that Contracting State.
2. The provisions of paragraph 1 of this Article shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6 of this Agreement, if the beneficial owner of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein and the right or property in respect of which the income is paid is effectively connected with such permanent establishment. In such case the provisions of Article 7 of this Agreement shall apply.

CHAPTER IV
METHODS FOR THE 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 Russian Federation, 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 Russian Federation, 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 Russian Federation.

2. In the Russian Federation, double taxation shall be eliminated as follows:

Where a resident of Russia derives income from the Sultanate of Oman, the amount of tax on that income payable in the Sultanate of Oman in accordance with the provisions of this Agreement shall be allowed to be credited against the Russian tax imposed on that resident. The amount of credit, however, shall not exceed the amount of the Russian tax on that income computed in accordance with the taxation laws and regulations of Russia.

3. Where, in accordance with any provision of this Agreement, income derived by a resident of a Contracting State is exempt from tax in that Contracting State, that Contracting State may nevertheless, in calculating the amount of tax on the remaining income of such resident, take into account the exempted income.

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 Contracting State in the same circumstances, in particular with respect to residence, are or may be subjected. The provisions of this paragraph shall, notwithstanding the provisions of Article 1 of this Agreement, 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 favourably levied in that other Contracting State than the taxation levied on enterprises of that other Contracting State carrying on the same activities. The

provisions of this paragraph 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.

3. Except where the provisions of paragraph 1 of Article 9, paragraph 7 of Article 11, or paragraph 6 of Article 12 of this Agreement 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 Contracting 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 Contracting State are or may be subjected.
5. The provisions of this Article shall, notwithstanding the provisions of Article 2 of this Agreement, apply to taxes of every kind and description imposed on behalf of a Contracting State or of its subdivisions or local authorities.

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 Contracting States, present his case to the competent authority of either Contracting State. The case must be presented within 3 (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, including through a joint commission consisting of themselves or their representatives, for the purpose of reaching an agreement in the sense of the preceding paragraphs of this Article.

Article 25

EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for carrying out the provisions of this Agreement or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their 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 of this Agreement.
2. Any information received under paragraph 1 of this Article by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that Contracting 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 of this Article, 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 Contracting States and the competent authority of the Contracting State supplying the information authorises such use.
3. In no case shall the provisions of paragraphs 1 and 2 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 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).
4. If 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 Contracting 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 of

this Article 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 the provisions of paragraph 3 of this Article 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 a person.

Article 26

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 27

ASSISTANCE IN THE COLLECTION OF TAXES

1. The Contracting States undertake to lend assistance to each other in the collection of taxes covered by this Agreement, together with corresponding interest, administrative penalties and fines of a non-penal nature.
2. Request for assistance by a Contracting State in the collection of taxes mentioned in paragraph 1 of this Article shall include a confirmation by the competent authority of that Contracting State, 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 such requesting Contracting State has the right under its domestic law to enforce collection of the tax and the person who owes it has no further right to prevent collection.
3. The request referred to in paragraph 2 of this Article 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 collection by the other Contracting State shall be fulfilled by this other Contracting 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 the protective measures. The request of the Contracting State that has been accepted shall be fulfilled by this other Contracting 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 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 28

MEMBERS OF DIPLOMATIC MISSIONS AND CONSULAR POSTS

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.

Article 29

PROTOCOL

The attached Protocol is an integral part of this Agreement.

CHAPTER VI

FINAL PROVISIONS

Article 30

ENTRY INTO FORCE

Each of the Contracting States shall notify the other Contracting State in writing through diplomatic channels of the completion of the procedures required by its law 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 Sultanate of Oman:

- (i) in respect of taxes withheld at source: for amounts paid or credited on or after the first day of January next following the date on which this Agreement enters into force, and
 - (ii) in respect of other taxes: for any tax year commencing on or after the first day of January next following the date on which this Agreement enters into force;
- (b) in the Russian Federation:
 - (i) in respect of taxes withheld at source: for amounts paid or credited on or after the first day of January of the year next following the calendar year in which the Agreement enters into force;
 - (ii) in respect of other taxes on income: on taxes chargeable for any tax year beginning on or after the first day of January of the year next following the calendar year in which the Agreement enters into force.

Article 31
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 a written notice of termination at least 6 (six) months before the end of any calendar year after the period of 5 (five) years from the date on which the Agreement enters into force. In such event, the Agreement shall cease to have effect as follows:

- (i) in respect of taxes withheld at source: for amounts paid or credited on or after the first day of January in the calendar year next following that in which the notice of such termination is given, and
- (ii) in respect of other taxes: for any tax year commencing on or after the first day of January in the calendar year next following that in which the notice of such termination is given.

In WITNESS WHEREOF, the undersigned, being duly authorised thereto, by their respective Government, have signed this Agreement.

Done at Muscat this Thursday of 19th Dhu Al-Qidah, 1444 AH, corresponding to 08th June of the year 2023 in two identical originals each in the Arabic, Russian and English languages, all three texts being equally authentic. In case of any divergence of interpretations, the English text shall be used.

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

**FOR THE GOVERNMENT OF
THE RUSSIAN FEDERATION**

PROTOCOL
BETWEEN THE GOVERNMENT OF THE SULTANATE OF OMAN AND THE
GOVERNMENT OF THE RUSSIAN FEDERATION

At the moment of signing the Agreement between the Government of the Sultanate of Oman and the Government of the Russian Federation for the Elimination of Double Taxation with respects to Taxes on Income and the Prevention of Tax Evasion and Avoidance (hereinafter referred to as “the Agreement”), the undersigned have agreed upon the following provisions which shall form an integral part of the Agreement.

1. With reference to subparagraph (c) of paragraph 3 of Article 8 of the Agreement, it is understood that this subparagraph would not apply to interest income derived from profit generated investment activity of an enterprise of a Contracting State operating of ships or aircraft in international traffic.
2. With reference to Articles 10 and 13 of the Agreement:
 - (a) It is understood that the term “collective investment institution” as used in paragraph 4 of Article 10 and paragraph 4 of Article 13 of the Agreement includes mutual investment funds.
 - (b) It is understood that the term “dividends” as defined in paragraph 6 of Article 10 of the Agreement includes any payments on units of mutual investment funds.
 - (c) In case of the Russian Federation, for the purposes of subparagraphs (a) and (b) of this paragraph, the term “mutual investment funds” means investment funds which are established under the Federal Law On Investments Funds (Law No. 156-FZ on 29 November, 2001), including such as may be amended from time to time without changing the general principle thereof.
3. With reference to Article 23 of the Agreement:

It is understood that nothing in Article 23 of the Agreement shall be construed as restricting the application of any of the following provisions:

- (a) in the case of the Sultanate of Oman, thin capitalization and controlled foreign companies rules where they are applicable,
- (b) in the case of the Russian Federation, Chapter 3.4 of the Part I of the Tax Code of the Russian Federation (Federal Law No. 146-FZ on 31 July, 1998) and Articles 269 and 309.1 of Chapter 25 of the Part II of the Tax Code of the Russian Federation (Federal Law No. 117-FZ on 5 August, 2000),

including those as may be amended from time to time without changing the general principle thereof.

4. Any document received under Article 25 of the Agreement or a certificate of residence issued by the competent authority of a Contracting State shall not require legalisation or apostille for the purposes of its application in the other Contracting State, including its use in administrative bodies.
5. The term “political subdivisions or local authority” in the case of the Russian Federation means subjects of the Russian Federation defined as such in accordance with its legislation, and the term “statutory body” in the case of the Sultanate of Oman means a body constituted by a Royal Decree.

In WITNESS WHEREOF, the undersigned, being duly authorised thereto, by their respective Government, have signed this Protocol.

Done at Muscat this Thursday of 19th Dhu Al-Qidah, 1444 AH, corresponding to 08th June of the year 2023 in two identical originals each in the Arabic, Russian and English languages, all three texts being equally authentic. In case of any divergence of interpretations, the English text shall be used.

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

**FOR THE GOVERNMENT OF
THE RUSSIAN FEDERATION**