

AGREEMENT
BETWEEN
THE SLOVAK REPUBLIC
AND
THE SULTANATE OF OMAN

FOR THE AVOIDANCE OF DOUBLE TAXATION AND
THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME

The Slovak Republic and 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 Slovak Republic:
 - (i) the tax on income of individuals,

- (ii) the tax on income of legal persons,

(hereinafter referred to as "Slovak tax");
 - b) in the case of the Sultanate of Oman:

the income tax

(hereinafter referred to as "Omani tax")
- (4) The Agreement shall apply also to any identical or substantially similar taxes which 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 "Slovak Republic", means the Slovak Republic and, used in a geographical sense, means its territory, within which the Slovak Republic exercises its sovereign rights and jurisdiction, in accordance with the rules of international law,
 - b) 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;
 - c) The terms "a Contracting State" and "the other Contracting State" mean the Slovak Republic or the Sultanate of Oman, 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" means:
 - (i) Any individual possessing the nationality of a Contracting State, or
 - (ii) Any legal person, partnership or association deriving its status as such from the laws in force in a Contracting State,
 - i) The term "competent authority" means:
 - (i) In the case of the Slovak Republic - the Ministry of Finance or its authorized representative.
 - (ii) In the case of the Sultanate of Oman, the Ministry of Finance or its authorised representative,
 - j) The term "tax" means Omani tax or Slovak 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 Contracting State for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that Contracting 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 incorporation, place of management or place of registration or any other criterion of a similar nature, and also includes that Contracting State and any political subdivision or local authority or statutory body 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) 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 does not have 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 a 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 the status of the resident 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 Contracting 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, and
 - f) 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 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 six months,

- (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 or display 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,
 - 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.
- (5) Notwithstanding the provisions of paragraphs (1) and (2), where a person -- other than an agent of an independent status to whom paragraph (7) 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 Contracting State in respect of any activities which that person undertakes for the enterprise, if such a person:
- a) has and habitually exercises in that Contracting State the authority to conclude contracts in the name of the enterprise, unless the activities of such person are limited to those mentioned in paragraph (4) 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 Contracting State a stock of goods or merchandise from which he regularly delivers goods or merchandise on behalf of the enterprise.
- (6) Notwithstanding the preceding provisions of this Article, an insurance enterprise of a Contracting State shall, except in regard to re-insurance, be deemed to have a permanent establishment in the other Contracting State if it collects premiums in the territory of that other Contracting State or insures risks situated therein through a person other than an agent of an independent status to whom paragraph (7) applies.
- (7) 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. However, when the activities of such an agent are devoted wholly or almost wholly on behalf of that enterprise, and conditions are made or imposed between that enterprise and the agent in their commercial and financial relations which differ from those which would have been made between independent enterprises, he will not be considered an agent of an independent status within the meaning of this paragraph.

- (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.

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, and 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, boats and aircraft shall not be regarded as immovable property.
- (3) The provisions of paragraph (1) shall also 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 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 the other Contracting State but only so much of them as is attributable to (a) that permanent establishment; (b) sales in that other Contracting State of goods or merchandise of the same or similar kind as those sold through that permanent establishment; or (c) other business activities carried on in that other Contracting State of the same or similar kind as those effected through 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 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 permanent establishment, including executive and general administrative expenses so incurred, whether in the Contracting 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. Such deductions shall be in accordance with the provisions of and subject to the limitations of the tax laws of the Contracting State where the permanent establishment is situated.
- (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) 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.
- (3) For the purposes of this Article, the term "operation of ships or aircraft in international traffic" by an enterprise, includes the charter, lease or rental of ships or aircraft fully equipped, manned and supplied, and used in the operation 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.
- (5) The provisions of paragraph (1) shall also apply to profits from the participation in a pool, or a joint business or 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 accordance with the provisions of paragraph (1), 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 and 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) The provisions of paragraph (2) shall not apply where judicial, administrative or other legal proceedings have resulted in a final ruling that by actions giving rise to an adjustment of profits under paragraph (1), one of the enterprises concerned is liable to penalty with respect to fraud, gross negligence or wilful 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 shall be taxable only in that other Contracting State, provided such resident is the beneficial owner of the dividends.
- (2) The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" rights, mining shares, founders' 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.
- (3) The provisions of paragraph (1) 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.
- (4) Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, the other Contracting State may not impose any tax on the dividends paid by the company, except in so far as such dividends are paid to a resident of that other Contracting State or in

so far 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 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.

- (5) 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 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 Contracting 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 % of the gross amount of the interest. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.
- (3) Notwithstanding the provisions of paragraph (2), interest arising in a Contracting State, shall be exempt from tax in that Contracting State, provided it is derived and beneficially owned by, or derived in connection with a loan or credit granted, guaranteed or insured by
- a) The Government, a political subdivision, a local authority or the Central (National) Bank of the other Contracting State;
 - b) In the case of the Slovak Republic:
 - (i) Eximbanka SR;
 - (ii) Slovenská záručná a rozvojová banka, a. s.;
 - c) In the case of the Sultanate of Oman:
 - (i) The State General Reserve Fund;
 - (ii) The Oman Investment Fund; and
 - d) Any other statutory body or institution wholly owned by the Government of the other Contracting State, 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. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article.
- (5) 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 Contracting 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
- (a) with such permanent establishment or fixed base, or
 - (b) with business activities referred to in paragraph (1)(c) of Article (7). In such case, the provisions of Article (7) or Article (14), as the case may be, 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 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.
- (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. 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.
- (8) 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 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 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 % of the gross

amount of the royalties. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of these limitations.

- (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 cinematograph films, and films or tapes for radio or television broadcasting, and other means of image or sound reproduction, any patent, trademark, design or model, plan, secret formula or process, software, 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 Contracting 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 (a) such permanent establishment or fixed base, or with (b) business activities referred to in (c) of paragraph (1) of Article (7). In such cases, 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 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, 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 a fixed base then such royalties shall be deemed to arise in the Contracting State in which the permanent establishment or a 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. 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 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 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 Contracting State.
- (3) Gains from the alienation of ships or aircraft operated in a Contracting State 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 shares of the capital stock of a company, or of an interest in a partnership, trust or estate, the property of which consists directly or indirectly principally of immovable property situated in a Contracting State may be taxed in that Contracting State. For the purposes of this paragraph, "principally" in relation to ownership of immovable property means the value of such immovable property exceeding 50 % of the aggregate value of all assets owned by the company, partnership or trust.
- (5) Gains from the alienation of any property other than that referred to in paragraphs (1), (2), (3) and (4) 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 Contracting State except in the following circumstances, when such income may also be taxed in the other Contracting State
 - a) If he has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities, in that case, only so much of the income as is attributable to that fixed base may be taxed in that other Contracting State, or
 - b) If his stay in the other Contracting State is for a period or periods amounting to or exceeding in the aggregate 183 days in any twelve-month period commencing or ending in the fiscal year concerned, in that case, only so much of the income as is derived from his activities performed in that other Contracting State may be taxed in that other Contracting State.
- (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), (18) and (19), 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), 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 days in any twelve month period commencing or ending in the fiscal 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 or a fixed base which the employer has in the other Contracting State.
- (3) Notwithstanding the preceding provisions 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
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 similar body of a company which is a resident of the other Contracting State may be taxed in that other Contracting State.

Article 17
Artists 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 Contracting 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 Contracting State, if the visit to that Contracting State is supported wholly or mainly by public funds of the other Contracting State or a statutory body thereof.

Article 18 **Pensions and Social Security Payments**

- (1) Subject to the provisions of paragraph (2) of Article (19), 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 of paragraph (1), pensions paid and other payments made under a public scheme which is part of the social security system of a Contracting State or a political subdivision or a local authority thereof shall be taxable only in that Contracting State.

Article 19 **Government Service**

- (1) 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 Contracting State or a political subdivision or a local authority or a statutory body thereof shall be taxable
 - a) Only in that Contracting State, or
 - b) Only in the other Contracting State if the services are rendered in that Contracting State and the individual is a resident of that Contracting State who
 - (i) Is a national of that Contracting State, or
 - (ii) Did not become a resident of that Contracting State solely for the purpose of rendering the services.
- (2) 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 an individual in respect of services rendered to that Contracting State or subdivision or authority or statutory body shall be taxable
 - a) Only in that Contracting 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 Contracting State.
- (3) The provisions of Articles (15), (16), (17) and (18) 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 political subdivision or a local authority or a statutory body thereof.

Article 20

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 approved university, college, school, or other similar educational institution or scientific research institution, visits that other Contracting State for a period not exceeding 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) The term “approved” in paragraph (1) refers to the approval given by the Contracting State in which the university, college, school or other similar educational institution or scientific research institution is situated.
- (3) 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 21

Students and Trainees

- (1) Payments which a student or trainee who is or was immediately before visiting a Contracting State a resident of the other Contracting State and who is present in the first-mentioned Contracting State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that Contracting State, provided that such payments arise from sources outside that Contracting State.
- (2) In respect of grants, scholarships and remuneration from employment not covered by paragraph (1), a student or trainee referred to in paragraph (1) shall, in addition, be entitled during such education or training to the same exemptions, reliefs or reductions in respect of taxes available to students or trainees who are residents of the Contracting State which he is visiting.

Article 22

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 Contracting 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 Contracting 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 Contracting State.

CHAPTER IV

METHODS FOR THE ELIMINATION OF DOUBLE TAXATION

Article 23

Elimination of Double Taxation

- (1) In the case of the Slovak Republic, double taxation shall be eliminated as follows
 - a) The Slovak Republic, when imposing taxes on its residents, may include in the tax base upon which such taxes are imposed the items of income which according to the provisions of this Agreement may also be taxed in the Sultanate of Oman, but shall allow as a deduction from the amount of tax computed on such a base an amount equal to the tax paid in the Sultanate of Oman.
 - b) Such deduction shall not, however, exceed that part of the tax payable in the Slovak Republic, as computed before the deduction is given, which is appropriate to the income, in accordance with the provisions of this Agreement, may be taxed in the Sultanate of Oman.
- (2) In the case of 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 Slovak Republic, 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 Slovak Republic, 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 Slovak Republic.

Article 24
Non-Discrimination

- (1) Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirements 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. 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 Contracting 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 other Contracting State than the taxation levied on enterprises of that other Contracting 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 (7) 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 Contracting State. Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable capital of such enterprise, be deductible under the same conditions as if they had been contracted to a resident of the first-mentioned Contracting 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 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.
- (6) The provisions of this Article shall apply only to taxes covered by this Agreement.

CHAPTER V

SPECIAL PROVISIONS

Article 25

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 the Contracting State of which he is a resident or, if his case comes under paragraph (1) of Article (24), to that of the Contracting State of which he is a national. The case must be presented within two 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 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.

Article 26 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 the Agreement, in so far as the taxation thereunder is not contrary to the Agreement, in particular for the prevention of fraud or evasion of such taxes. 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 Contracting State. However, if the information is originally regarded as secret in the transmitting Contracting State it 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 which are the subject of the Agreement. Such persons or authorities shall use the information only for such purposes but may disclose the information in public court proceedings or in judicial decisions. The competent authorities shall, through consultation, develop appropriate conditions, methods and techniques concerning the matters in respect of which such exchanges of information shall be made, including, where appropriate, exchanges of information regarding tax avoidance.

- (3) 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 administrative practice of that Contracting State 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 Contracting State 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) 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) 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 fiduciary capacity or because it relates to ownership interests in a person.

Article 27

Assistance in the Collection of Taxes

- (1) The Contracting States undertake to lend assistance to each other in the collection of tax claims. The competent authorities of the Contracting States may by mutual agreement settle the mode of application of this Article.
- (2) The term "tax claim" as used in this Article means an amount owed in respect of taxes covered by this Agreement, insofar as the taxation thereunder is not contrary to this Agreement, together with interest and administrative penalties related to such amount.
- (3) When a tax claim of a Contracting State is enforceable under the laws of that Contracting State and is owed by a person who, at that time, cannot, under the laws of that Contracting State, prevent its collection, that tax claim shall, at the request of the competent authority of that Contracting State, be accepted for purposes of collection by the competent authority of the other Contracting State. That tax claim shall be collected by that other Contracting State in accordance with the provisions of its laws applicable to the enforcement and collection of its own taxes as if the tax claim were a tax claim of that other Contracting State.

- (4) Request for assistance by a Contracting State in the collection of these taxes shall include a certification by the competent authority of that Contracting State that, under the laws of that Contracting State, the said taxes have been finally determined.
- (5) Requests referred to in paragraphs (3) and (4) 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.
- (6) Proceedings with respect to the existence, validity or the amount of a tax claim of a Contracting State shall only be brought before the courts or administrative bodies of that Contracting 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) and before the other Contracting State has collected and remitted the relevant tax claim to the first-mentioned Contracting State, the relevant tax claim ceases to be a tax claim of the first-mentioned Contracting State that is enforceable under the laws of that Contracting State and is owed by a person who, at that time, cannot, under the laws of that Contracting State, prevent its collection, the competent authority of the first-mentioned Contracting State shall promptly notify the competent authority of the other Contracting State of that fact and, at the option of the other Contracting State, the first-mentioned Contracting State shall either suspend or withdraw its request.
- (8) 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 Contracting State.
- (9) 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 Contracting 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.

CHAPTER VI

FINAL PROVISIONS

Article 29 Entry into Force

This Agreement shall be approved in accordance with the internal legal procedures of both Contracting States and shall enter into force 60 days after the date of the later diplomatic note confirming that the internal legal procedures have been complied with. The provisions of this Agreement shall thereupon have effect in both Contracting States

- a) In respect of taxes withheld at source, to amounts of income paid or credited on or after the first day of January of the calendar year following the year in which this Agreement enters into force,
- b) In respect of other taxes, for tax years commencing on or after the first day of January next following the date on which this Agreement enters into force.

Article 30 Termination

- (1) This Agreement shall remain in force for an indefinite period until terminated by one of the Contracting States.
- (2) 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 following after the period of at least five years from the date on which this Agreement enters into force. In such event, the Agreement shall cease to have effect in both Contracting States
 - a) In respect of taxes withheld at source, to amounts of income paid or credited on or after the first day of January of the calendar year following the year in which the notice of termination is given,
 - b) In respect of other taxes, for tax years commencing on or after the first day of January next following the year in which the notice of termination is given.

In WITNESS WHEREOF, the undersigned, duly authorised thereto, have signed this Agreement.

Done at Muscat on Friday 25/3/2018 corresponding to 7/7/1439 AH, in two identical originals each in the Slovak, Arabic, and English languages, all texts being equally authoritative. In case of divergence between the texts, the English text shall prevail.

For the Slovak Republic

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For the Sultanate Of Oman

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