

AGREEMENT BETWEEN THE GOVERNMENT OF THE SULTANATE OF OMAN AND THE  
GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA FOR THE AVOIDANCE OF  
DOUBLE TAXATION OF INCOME ARISING FROM THE INTERNATIONAL AIR  
TRANSPORT.

AGREEMENT BETWEEN THE GOVERNMENT OF THE SULTANATE OF OMAN AND THE GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA FOR THE AVOIDANCE OF DOUBLE TAXATION OF INCOME ARISING FROM THE INTERNATIONAL AIR TRANSPORT.

The Government of the Sultanate of Oman and the Government of the United Republic of Tanzania;

Desiring to conclude an Agreement for the avoidance of double taxation of income arising from international air transport;

Have agreed as follows:

A R T I C L E - 1

(1) The taxes which are the subject of this Agreement are:

- a) In The Sultanate of Oman:  
the company income tax imposed by the Company Income Tax Law, 1981;

(hereinafter referred to as "Omani tax" ;

- b) In the United Republic of Tanzania:

- i) the income tax and any tax deemed to be tax on income.
- ii) the capital gains tax;
- iii) the excess profit tax
- iv) the payroll tax

(hereinafter referred to as "Tanzania tax".

(2) This Agreement shall also apply to any identical or similar taxes which are imposed by either Contracting State after the date of signature of this Agreement in addition to, or in place of, the taxes referred to in paragraph (1) of this Article.

Each Contracting State shall immediately inform the other contracting State of the additional taxes referred to in paragraph (2) of this Article.

A R T I C L E - 2

- (1) In this Agreement, unless the context otherwise requires:
- a) the terms "a Contracting State" and "the other Contracting State" mean The Sultanate of Oman or The United Republic of Tanzania as the context requires;
  - b) the term "tax" means Omani tax or Tanzania tax as the context requires;
  - c) the term "Enterprise of a Contracting State" means:

- 1) Gulf Air
- 2) Air Tanzania

The above mentioned enterprises may be added to or replaced by other enterprises through the exchange of letters or any other similar arrangements between the two Contracting States.

- d) The term "international traffic" means any transport by an aircraft operated by an enterprise of a Contracting State except when the aircraft is operated solely between places in the other Contracting State.
- (2) In the application of the provisions of this Agreement by a Contracting State any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of this Agreement.

A R T I C L E - 3

- (1) Income derived from the operation of aircraft in international traffic by an enterprise of a Contracting State shall be exempt from tax in the other Contracting State.

- (2) The provisions of paragraph (1) of this Article shall also apply to the share of income from the operation of aircraft in international traffic derived by an enterprise of a Contracting State through participation in a pool, a joint business or an international operating agency.
- (3) For the purposes of this Article:
  - a) the term "operation of aircraft" shall include transportation by air of persons, baggage, livestock, goods or mail, carried on by an enterprise of a Contracting State including the sale of tickets or similar documents for such transportation; and
  - b) Interest on funds directly connected with the operation of aircraft in international traffic shall be regarded as income from the operation of such aircraft.
- (4) Gains derived by an enterprise of a Contracting State from the alienation of aircraft owned and operated by the enterprise, the income from which is taxable only in that State, and gains from the alienation of spares and equipment used by the enterprise in the operation of such aircraft shall be exempt from tax in the other Contracting State.

A R T I C L E - 4

Each Contracting State shall notify the other through the diplomatic channel of the completion of the relevant procedures required by its law to bring this Agreement into force. The Agreement shall enter into force on the date of the latter of these notifications and shall thereupon have effect as regards income and gains arising on or after the first day of January, 1979.



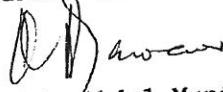
ARTICLE - 5

- (1) Subject to the provisions of paragraph (2) of this Article, this Agreement shall remain in force indefinitely but either Contracting State may terminate it by giving notice of termination through the diplomatic channel, at least six months before the end of any calendar year after the fifth year following that of the entry into force. In such event this Agreement shall cease to have effect from 1 January of the next calendar year following that in which the notice is given.
- (2) However, if an enterprise of the United Republic of Tanzania charged to any tax of the kind referred to in Article (1) in any State of which Gulf Air is the national carrier, the Contracting States shall open negotiations without delay with a view to adjusting the exemptions afforded by Article (3) of this Agreement.

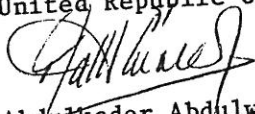
In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed this Agreement.

Done in duplicate at MUSCAT.....this.....9/11/91.....day of .....A.D. in the English and Arabic languages, both texts being equally authoritative. In the case of divergent interpretations of the English and Arabic texts, the English text shall prevail.

For the Government of the  
Sultanate of Oman

  
Qais bin Abdul Munim Al Zawawi  
Deputy Prime Minister for  
Financial & Economic Affairs

For the Government of the  
United Republic of Tanzania

  
Abdulkader Abdulwahid  
Mohamed Shareaf  
Ambassador of the United  
Republic of Tanzania in  
Riyadh