



AGREEMENT

Between

THE GOVERNMENT OF THE SULTANATE OF OMAN

and

THE SWISS FEDERAL COUNCIL

FOR THE AVOIDANCE OF DOUBLE TAXATION OF INCOME
DERIVED FROM INTERNATIONAL AIR TRANSPORT

The Government of the Sultanate of Oman

and

The Swiss Federal Council,

desiring to conclude an Agreement for the avoidance of double taxation of
income derived from international air transport,

Have agreed as follows:

Article - I

TAXES COVERED

1. The taxes which are the subject of this Agreement are:
 - a) In the Sultanate of Oman:
 - i) the Company Income Tax;
 - ii) the Profit Tax on Establishments;
(hereinafter referred to as "Omani tax")
 - b) In the Swiss Confederation:
the federal, cantonal and communal taxes on income;
(hereinafter referred to as "Swiss tax").



2. This Agreement shall also apply to any identical or substantially similar taxes which are imposed 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 any substantial changes which have been made in its respective taxation laws which affect this Agreement.

Article 2

DEFINITIONS

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 Swiss Confederation as the context requires;
 - b) 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; the terms shall be deemed to include any enterprise carried on in the respective State by the Government of either Contracting State or by any corporation of a Contracting State of which the Government of either Contracting State has a share; for the purposes of this Agreement, the term "resident of a Contracting State" or "resident of the other Contracting State" means any person who, under the laws of the Contracting State is liable to tax therein by reason of his domicile, residence, place of management, place of incorporation, or any other criterion of a similar nature;
 - c) 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;
 - d) the term "competent authority" means:
 - in the case of the Sultanate of Oman, the Minister of National Economy and Supervisor of the Ministry of Finance or his authorised representative;



- in the case of the Swiss Confederation, the Director of the Federal Tax Administration or his authorised representative.
- 2. As regards 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 concerning the taxes to which the Agreement applies.

Article - 3

AIR TRANSPORT

1. Income and profits of an enterprise of a Contracting State from the operation of aircraft in international traffic shall be taxable only in that Contracting State.
2. Gains derived by an enterprise of a Contracting State from the alienation of movable property (aircraft and their parts and equipment included) operated in international traffic shall be taxable only in that Contracting State.
3. The provisions of paragraphs 1 and 2 shall also apply to income, profits and capital gains from the participation in a pool, a joint business or an international operating agency.
4. In this Article, income and profits derived by an air transport enterprise of a Contracting State from the operation of aircraft in international traffic shall also include interest on funds generated directly from such operation, provided that such interest is incidental to the operation.
5. The provisions of paragraphs 1 and 2 shall apply to income, profits and gains derived by Gulf Air Company, which is jointly owned by the Government of the Sultanate of Oman and the Kingdom of Bahrain, but only to such part of the income, profits or gains as corresponds to the share of the profits of the Government of the Sultanate of Oman under the Agreement of Incorporation of the Gulf Air Company.



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Article 4

MUTUAL AGREEMENT PROCEDURE

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 this Agreement.

Article 5

ENTRY INTO FORCE

Each Contracting State shall notify the other through diplomatic channels 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 later of these notifications and shall have effect in both Contracting States for years of assessment beginning on or after the first of January 1993. However, the provisions of the Agreement shall have effect in both Contracting States in respect of tax withheld at source on amounts paid or credited on or after the first of January following the date of entry into force.

Article 6

TERMINATION

This Agreement shall remain in force indefinitely but either of the Contracting States may terminate it by giving notice of termination through diplomatic channels, at least six months before the end of any calendar year. In such event, the Agreement shall cease to be effective for any year of assessment commencing on or after the first of January in the calendar year next following that in which such notice is given.



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

Done in duplicate at *Muscat* this*23*..... day of*10*.....*1429*AH, corresponding to...*3*... Day of...*11*...*2007*.AD, in the Arabic, German and English languages, all three texts being equally authentic. In case there is any divergency of interpretation between the Arabic and the German texts, the English text shall prevail.

**For the Government of
the Sultanate of Oman**

**For the
Swiss Federal Council**