

Oman

Overview of CbC reporting requirements

Oman has implemented the BEPS Action 13 (CbC reporting) minimum standard with four recommendations for improvement.

First reporting fiscal year: Commencing on or after 1 January 2020

Consolidated group revenue threshold: OMR 300 million

Filing deadline: 12 months following the end of the reporting fiscal year

Local filing required: Yes

Surrogate parent entity filing permitted: Yes

First review of the domestic legal framework: 2020/2021

Summary of recommendations

Area of implementation	Recommendations for improvement
Domestic legal and administrative framework	It is recommended that Oman clarify that the annual consolidated group revenue threshold calculation rule applies in line with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Oman.
Exchange of information framework	It is recommended that Oman take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Appropriate use	None.

The domestic legal and administrative framework

Oman's 2018/2019 peer review recommended that Oman take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. A legislative filing requirement is now in effect which applies to all Ultimate Parent Entities of MNE Groups above a certain threshold and which requires inclusion of all constituent entities. This recommendation is therefore removed.¹

A CbC reporting filing obligation applies in Oman for fiscal years commencing on or after 1 January 2020 and filing is required 12 months after the reporting year end. Oman has enforcement requirements to ensure compliance with rules on CbC reporting.

Oman has a legislative requirement for local filing which, as Oman is a non-reciprocal jurisdiction, has been suspended until further notice.²

Where the MNE Group draws up, or would draw up, its Consolidated Financial Statements in a currency other than that specified by Oman, the reference to Oman's threshold has the effect as if it were a reference to the equivalent in that currency at the average exchange rate for the accounting period. While this provision would not create an issue for MNE Groups whose Ultimate Parent Entity is a tax resident in Oman, it may be incompatible with the guidance on currency fluctuations for MNE Groups whose Ultimate Parent Entity is located in another jurisdiction, if local filing requirements were applied in respect of a Constituent Entity (which is an Oman tax resident) of an MNE Group which does not reach the threshold

as determined in the jurisdiction of the Ultimate Parent Entity of such a Group. It is recommended that Oman clarify that the annual consolidated group revenue threshold calculation rule applies in line with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Oman.

Oman's domestic legal and administrative framework meets all the other terms of reference.

The exchange of information framework

Oman's 2018/2019 peer review recommended that Oman take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Oman has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. Oman has now activated relationships under the CbC Multilateral Competent Authority Agreement and this recommendation is removed.

It is recommended that Oman take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. This recommendation remains in place since the 2018/2019 peer review.

Appropriate use of CbC reports

Oman's 2018/2019 peer review recommended that Oman take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Oman has submitted a notification under the CbC Multilateral Competent Authority Agreement that it is a non-reciprocal jurisdiction for CbC reporting purposes. As a non-reciprocal jurisdiction, Oman will not receive CbC reports submitted to tax authorities in other jurisdictions, and cannot apply local filing. It is not necessary for this peer review evaluation to reach any conclusion with respect to Oman's compliance with the terms of reference on appropriate use and the recommendation is removed.

Notes

¹ <https://mjla.gov.om/eng/legislation/decisions/details.aspx?Id=1534&type=D>.

² https://tms.taxoman.gov.om/portal/web/taxportal/news/-/asset_publisher/sOCQAck8ATSd/content/announcement-3?_com_liferay_asset_publisher_web_portlet_AssetPublisherPortlet_INSTANCE_sOCQAck8ATSd_redirect=https%3A%2F%2Ftms.taxoman.gov.om%2Fportal%2Fweb%2Ftaxportal%2Fnews%3Fp_p_id%3Dcom_liferay_asset_publisher_web_portlet_AssetPublisherPortlet_INSTANCE_sOCQAck8ATSd%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26_com_liferay_asset_publisher_web_portlet_AssetPublisherPortlet_INSTANCE_sOCQAck8ATSd_cur%3D0%26p_r_p_resetCur%3Dfalse%26_com_liferay_asset_publisher_web_portlet_AssetPublisherPortlet_INSTANCE_sOCQAck8ATSd_assetEntryId%3D1782268.



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