



Oman approved for signature the Double Tax Treaty with Kazakhstan

Contacts

Timur Zhursunov
Partner
Tax and Legal Services
timur.zhursunov@pwc.com

Alexey Zhukov
Director
Tax Services
alexey.zhukov@pwc.com

Anna Levina
Manager
Tax Services
anna.levina@pwc.com

If you are interested in additional information, please contact us.



In brief

On 18 July 2023 the lower house of parliament in Oman approved the draft of Convention between the Government of the Republic of Kazakhstan and the Government of the Sultanate of Oman for the elimination of double taxation and prevention of tax evasion with respect to taxes on income and capital ("the DTT").

It is expected that the draft DTT will be submitted to the Parliament of Kazakhstan for ratification, after its adoption it will be sent for execution by the head of the state and will enter into force upon completion of all necessary procedures from Oman's side.

How does it affect your business?

The provisions of the DTT will define the taxation of transactions between tax residents of Kazakhstan and Oman. In particular, the draft DTT allows to apply exemption and reduced rates of withholding tax in Kazakhstan, in case of payment of the following types of income to Oman tax residents, if they are the beneficial owners of such income:

Interest:

- 0% rate if interest paid to the government organizations of Oman mentioned in the DTT.
- 10% reduced rate for other cases.

Royalties - reduced tax rate of 10%.

Dividends:

- 0% rate if dividends paid to the government organizations of Oman mentioned in the DTT.
- 10% reduced rate for other cases.

Capital gains

The draft DTT also provides that income received by an Oman tax resident from the sale of shares / participation interests in the company may be exempt from withholding tax in Kazakhstan if the assets of such company directly or indirectly consist of no more than 50% of immovable property located in Kazakhstan.

Please note that the draft DTT includes a set of features, including the potential application of withholding tax on technical services at a rate of at least 10%, and also provides restrictions for the application of the DTT's benefits.

Are you interested in this topic?

If you are interested in additional information and would like to discuss how it can impact your business, please contact PwC specialists working as part of a group serving your company, or to any of the persons listed.