



Country-by-Country Reporting Requirements

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INTRODUCTION OF COUNTRY BY COUNTRY REPORTING

In line with Organisation for Economic Co-operation and Development's ('OECD') Base Erosion and Profit Shifting (BEPS) inclusive framework, Oman Tax Authority ('TA') has issued a decision no. 79/2020 in the official Gazette on introducing Country by Country Reporting ('CbCR') requirements.

APPLICABLE TO WHOM?

- Tax resident local entity, branch or Permanent Establishment (PE) which qualifies as a member of a Multinational Enterprise ('MNE') Group with a consolidated revenue of OMR 300 million (approximately USD 780 million or EUR 670 million) during the year immediately preceding the Reporting Fiscal Year.
- Ultimate Parent Entity ('UPE') of the MNE where such a UPE is a tax resident of Oman.
- The Surrogate Parent Entity ('SPE'), i.e. an entity that is a part of MNE Group or PE (if preparing separate financial statements) of such entity, which is a tax resident of Oman.

APPLICABLE TO WHICH PERIOD?

Financial reporting years commencing on or after 1 January 2020.

FIRST TIME FILING REQUIREMENTS

Notification (due date 31 December 2020 for 31 December 2020 year-end)

If not an UPE or SPE, then details of the ultimate reporting entity should be provided along with the notification. The decision is silent regarding method of filing the required notification.

Report (due date 31 December 2021 for 31 December 2020 year-end)

If Omani establishment qualifies as reporting entity either as an UPE or SPE, then the requirement to file CbCR report shall arise. The contents of the report are provided in the decision which primarily includes key financial information / identification details, regarding each jurisdiction where the reporting entity operates. The report is expected to be filed electronically.

PENALTIES

Current decision is silent about invoking any penal consequences for non-filing of either notification and/or report.

IMPACT ON BUSINESS

Any business having multi-jurisdictional presence and having an establishment in Oman needs to evaluate the applicability of CbCR filing requirements (either only notification or notification and report) in Oman and other respective jurisdiction levels.

BDO COMMENTS

Recently, Oman Tax Authority has made several changes in the domestic tax law to accommodate / further clarify on international reporting requirements. With CbCR going live in the year 2020, it is expected that Oman shall facilitate exchange of information gathered as a part of the CbCR filing process with other countries where CbCR has been an important tool to discover tax evasion by shifting profits to lower/no-tax jurisdictions.



HOW BDO CAN HELP?

- Evaluating whether Omani establishment of MNE group falls within the ambit of CbCR and is required to file Notification.
- Evaluating whether Omani establishment of MNE group qualifies as MNE or SPE and is required to file CbCR Report in Oman.
- End to end assistance in filling Notification and/or filing Report.

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