



# Oman's Business and Tax Landscape: Key Updates for February 2025

Oman continues to strengthen its economic and regulatory framework, with several significant developments in February 2025 that impact businesses, investors, and multinational corporations operating in the country.

## Introduction of 15% Corporate Tax on Multinationals

Oman has introduced a 15% corporate tax on multinational enterprises (MNEs) as part of its commitment to global tax reforms. This aligns with the OECD's Base Erosion and Profit Shifting (BEPS) 2.0 framework, ensuring that large corporations contribute fairly to the economy. The move is expected to boost government revenue while maintaining Oman's competitive business environment.

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## Oman's Draft Income Tax Law Revisions

The Omani government is refining its income tax laws to enhance fiscal stability. In 2024, Oman generated approximately \$3.6 billion in tax revenue, including corporate tax, VAT, and selective tax. Experts emphasize the importance of balancing tax reforms with economic attractiveness to sustain foreign direct investment (FDI).

## Digitalization of Tax Compliance

The Oman Tax Authority (OTA) is accelerating the shift toward paperless tax compliance. Businesses are now required to adopt e-invoicing and digital tax filing systems. The government is also leveraging data analytics to streamline tax assessments, making digital readiness crucial for corporate compliance.







## Expansion in Green Energy & Sustainability Investments

Oman is gaining global recognition in the green hydrogen sector, with the HyDuqm project attracting \$8 billion in foreign investment. Key players such as Engie (France) and Posco (South Korea) are leading efforts to establish Oman as a hub for clean energy exports.

Additionally, Oman is set to launch its largest plastic recycling facility near Sohar Port in Q3 2025, processing 200 metric tonnes of plastic waste daily. These initiatives align with Oman's commitment to environmental, social, and governance (ESG) principles.

## Economic Growth Supported by Strong Oil Revenues

With oil prices exceeding initial projections, Oman is experiencing higher-than-expected fiscal revenue. This has led to a budget surplus for 2024, reinforcing economic stability and creating new investment opportunities.

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## Key Takeaways for Businesses

- **Tax Compliance:** Companies must adapt to new corporate tax rates and e-filing requirements.
- **Investment Opportunities:** Green energy and sustainability projects offer high-growth potential.
- **Economic Resilience:** Strong oil revenue and foreign trade expansion support a stable business climate.
- **Regulatory Preparedness:** Businesses should ensure digital tax compliance and transparency to avoid penalties.

## Conclusion

As Oman continues its economic transformation, businesses must stay informed and proactive to leverage emerging opportunities and navigate regulatory changes effectively. The country's strategic focus on tax reforms, sustainability, and digital transformation positions it as a key player in the GCC's evolving business landscape.

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