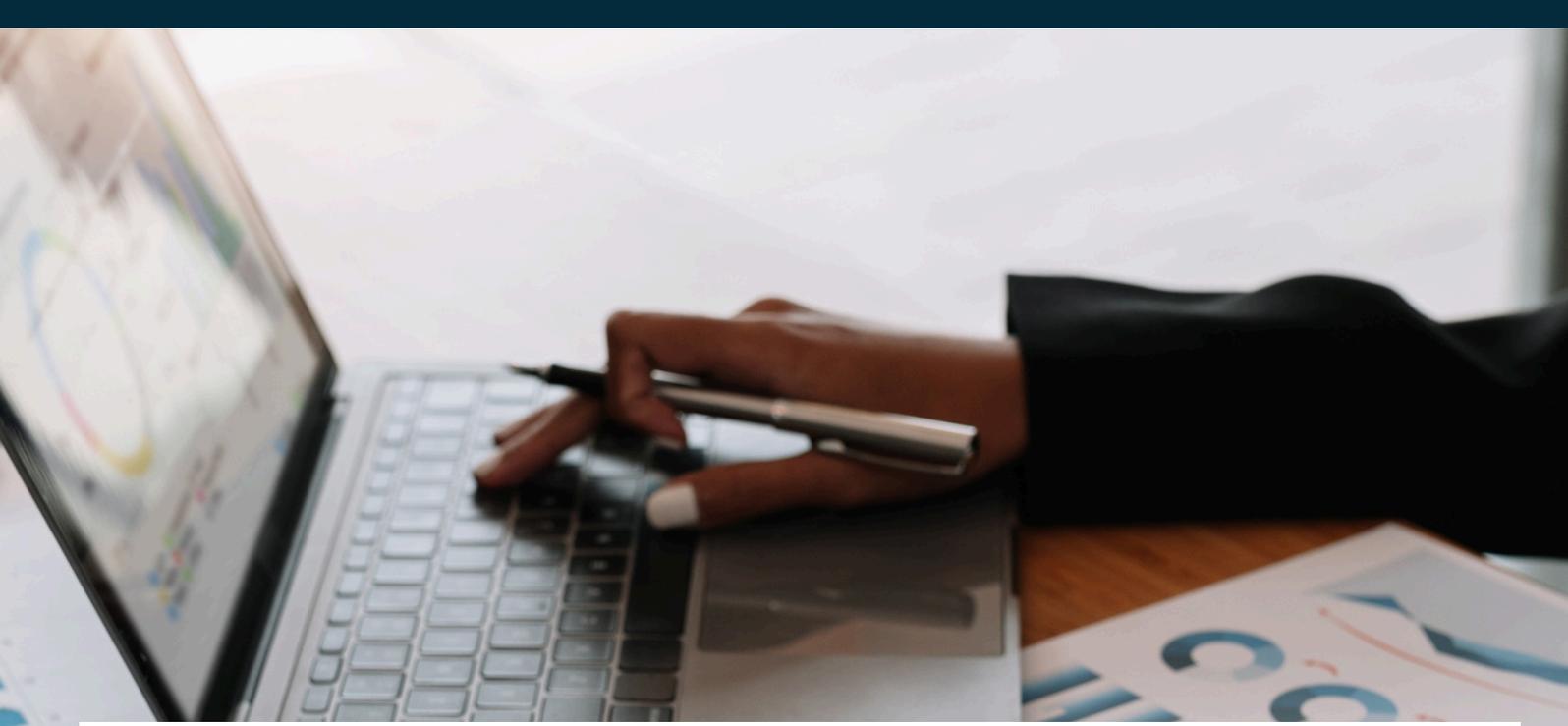


Newsletter



Oman Tax Updates



Corporate Tax (CT)

Standard Tax Rates

- **Corporate tax** remains **15%** on taxable income. Omani owned SMEs with annual revenue below **OMR 100,000** enjoy a **0%** standard rate exemption.
- The oil & gas sector is taxed at a 55% rate.

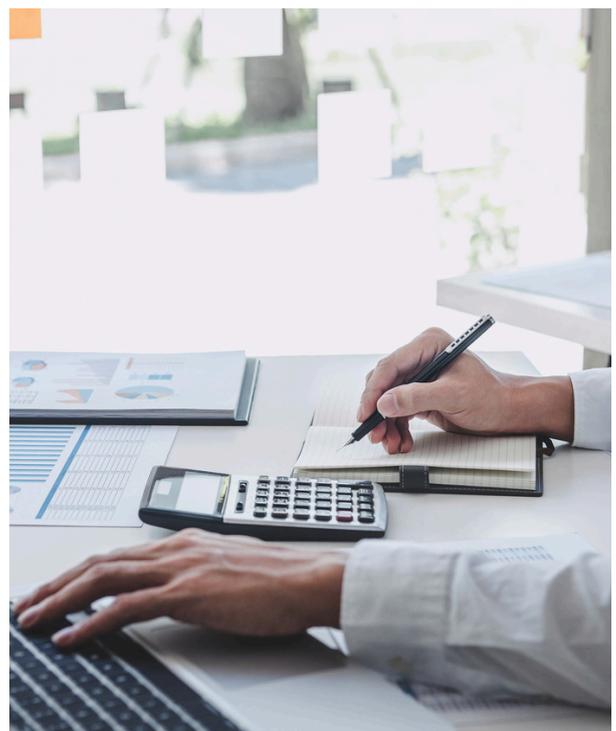
2. Domestic Minimum Top-Up Tax – Pillar Two

- **Royal Decree No. 70/2024**, effective 1 Jan 2025, introduces both:
 - A Domestic Minimum Top-Up Tax (DMTT) ensuring a minimum effective rate of 15% on Oman entities of large MNE groups.
 - An Income Inclusion Rule (IIR) taxing foreign low-taxed profits at the Oman parent company level.
- **Scope:** Applies to MNE groups with consolidated global revenue \geq €750 million in at least two of the last four years.
- **Exemptions:** Government entities, NPOs, pension funds, international organisations, and specific investment/real estate funds.
- **Next Steps:** Await implementing Regulations covering methodology, safe harbours (including Qualified Domestic Minimum Top-up Tax and transitional CbCR relief), compliance timelines.

Value Added Tax(VAT)

Standard Rates and Scope

- **Standard rate:** 5%
- **Zero-rated:** Exports, essentials, supplies to Free Zones
- **Exempt:** Healthcare, education, residential leases, other categories as per Royal Decree 121/2020.

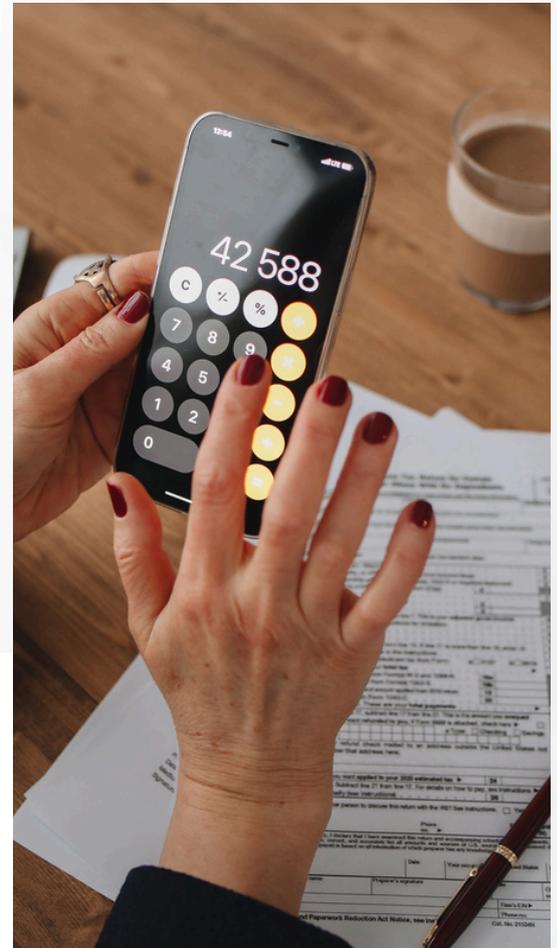


Decision 81/2025 – Refund Extension

- On 20 April 2025, OTA issued Decision 81/2025, allowing Omani armed and security forces to claim VAT refunds on local purchases (ammunition, vehicles, equipment, parts).
- Adds to existing refund categories: tourists, charities, diplomats, re-exports, over-paid import VAT.

Refund Claim Process

- **Frequency:** Quarterly applications.
- **Minimum claim:** OMR 15.
- **Required documents:** VAT invoice (or simplified invoice) + proof of payment.
- **Timeline:** OTA decision within 30 days, payment within 15 days of approval.



E-invoicing Implementation Timeline

- OTA, in collaboration with Omantel, will roll out a PEPPOL-based e-invoicing platform:
 - Q3 2025: Planning & design
 - Q1 2026: Development/testing
 - Q3 2026: Mandatory for Top 100 taxpayers
 - Q1 2027: Larger taxpayers
 - Q3 2027: All taxpayers
 - Q1 2028: G2B integration



Upcoming Deadlines to Monitor

- **Q2 VAT return (Apr–Jun):** Due 31 July 2025
- **VAT refund submissions:** Quarterly, with next submission due by end-July 2025
- **Commencement of Pillar Two reporting:** Timing to be clarified once Regulations are issued mid-2025



"Reach out and let's connect!"



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