



# Oman: Amendments to the Executive Regulations of the Foreign Capital Investment Law

April 2022



## In brief

### Amendments to the FCIL ER

A new Ministerial Decision (“MD”) was issued recently by the Ministry of Commerce, Industry, and Investment Promotion, (“MOCIIP”) to amend certain Articles of Executive Regulations of the Foreign Capital Investment Law (“FCIL ER”), which became effective from 4 April 2022.

We believe that these amendments were introduced to further improve the legislative framework of the FCIL in a way that enables and enhances potential foreign investment opportunities to arise and prosper.

This news alert intends to highlight some of the key features of the amended provisions of the FCIL ER.

## In detail

### Background

Back in June 2020, the MOCIIP issued an MD, (MD 72/2020), promulgating the ER of the FCIL to streamline the procedures and rules provided in the FCIL such as procedures of registration of foreign investment projects, license requirements, benefits available to specified projects, allocation of land for investment purposes, and inspection of the projects by the competent authority.

Detailed comments on the FCIL ER can be found [here](#).

### Amendments to FCIL ER

In March 2022, the MOCIIP issued a new MD, (MD 306/2022), amending certain Articles of the FCIL ER, which appear to:

- Signify the role of individuals, establishments, and companies, in promoting and attracting foreign investments in Oman;
- Channelise certain rules related to foreign investment license and permits application.

The amendments to the FCIL ER have replaced the full text of Article 5, which forms part of general rules section, and Article 7, which forms part of procedures and conditions related to investment license section. We provide a summary below of the amendments introduced:

- **Article 5** of the FCIL ER provided that the Investment Services Centre (“the Centre”) shall empower the employees of Public Authority for Investment Promotion and Export Development (“the Authority”) to access the Authority’s electronic system to complete foreign investment projects applications, and that the Centre shall provide all required services to those projects.

The above has been replaced with a new Article which provides that the MOCIIP shall authorise individuals, establishments, and companies, inside and outside Oman, to promote investment opportunities, and to attract foreign investors and encourage them to invest in Oman, in accordance with certain rules to be issued via an MD.



New MD to amend Articles 5 & 7 of the FCIL ER





## Amendments to FCIL ER - (Continued)

This amendment is likely to create vast potential opportunities for foreign investors by extending the role of promoting and attracting foreign investment which was limited to governmental bodies.

- **Article 7** of the FCIL ER, before amendment, provided that foreign investors are given the option to entrust their representatives (licensed and accredited bank, legal, administrative or financial consulting offices) to examine their application for an investment license and submit a certification in this regard to the competent authority on their behalf.

This has been replaced in the amended Article to provide that such entrustment shall be limited to offices that are authorised by the MOCIIP to examine such applications. Further, the amended Article also provides that an MD would be issued to regulate the procedures and rules related to those offices including their obligations, in particular, the due diligence obligation in examining the applications and the accuracy of submitted information and supporting documents, as well as the timely completion of the applications, and maintenance of information confidentiality.

We expect to obtain further clarity on the implications of these amendments once the MDs detailing the rules related to each of the amendments made are issued.

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# The takeaway

The amendments introduced are part of various steps taken by the Government of Oman to improve the business climate of the country in order to make it more attractive for foreign investors to come and invest in Oman. This will ultimately contribute in achieving the country's economic development goals. Further bylaws (i.e MDs) are expected to be issued in the coming period, which will provide a clearer picture of how these amendments are going to be implemented and what impact they will have on potential foreign investments.

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## Let's talk

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