

Sultanate of Oman

Regulating the governance of Tax exemptions & Launch of a new service on the E-portal of the Oman Tax Authority

November 2023



In brief

His Majesty Haitham bin Tariq has issued Royal Decree No. 80/2023 ("RD 80/2023") to regulate tax exemptions and clearly delineate the responsibilities for granting such exemptions. Additionally, the Oman Tax Authority (OTA) has released an announcement regarding the introduction of a new service on the e-portal.

In detail

Governance of Tax exemptions

On 9 November 2023, His Majesty Haitham bin Tariq issued RD 80/2023 to regulate the Tax exemption.

The responsibility for overseeing tax exemptions has been shifted from the Head of the Tax Authority to the Minister of Finance in all instances specified in laws and royal decrees, encompassing:

- The Financial Law issued by Royal Decree No. 98/47
- Income Tax Law issued by Royal Decree No. 28/2009
- The Excise Tax Law issued by Royal Decree No. 23/2019
- Value Added Tax Law issued by Royal Decree No. 121/2020
- Tax Authority System and Approval of its Regulatory Structure issued by Royal Decree No. 42/2020

It is important to highlight that the responsibility for matters pertaining to customs duties exemption still lies with the Royal Oman Police, as customs duties were not initially under the purview of the Tax Authority.

Due to the aforementioned changes, there is an expectation for substantial revisions to Oman's legislation and regulations.

This change will precisely define the delegation of tax authority, empowering the Ministry apparatus under the Minister to assume responsibility for designing the criteria determining when exemptions may be deemed appropriate.

Recent addition to the OTA E-portal services

OTA has issued an announcement confirming that the service of booking appointment with the tax inspectors or OTA representatives are now available on the e-portal.

The takeaway

In a significant development, the responsibility for overseeing tax exemptions has been transferred from the head of the tax authority to the Minister of Finance. This shift, now applicable in all instances specified in laws and royal decrees, marks a pivotal change in governance. Stay tuned for further updates on this crucial development.

Moreover, the introduction of a new service on the OTA E-portal, allowing for the booking of appointments with OTA representatives, will result in saving time and managing the Tax matters more efficiently.

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Let's talk

For a deeper discussion of how this issue might affect your business, please contact:

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Thank you