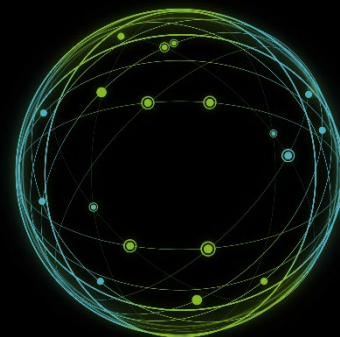


International Tax Oman Highlights 2026

Updated January 2026



Recent developments

For the latest tax developments relating to Oman, see [Deloitte tax@hand](#).

Investment basics

Currency: Omani Rial (OMR)

Foreign exchange control: There are no exchange controls on inbound or outbound investment or on the repatriation of capital or profits, although certain administrative procedures must be followed.

Accounting principles/financial statements: A business registered in Oman must maintain full accounting records in accordance with IFRS.

Principal business entities: These are the joint stock company (general or closed), limited liability company (LLC), sole proprietorship company (SPC), partnership (general or limited), joint venture, and branch of a foreign company.

The Foreign Capital Investment Law allows 100% foreign participation in an Omani company. Non-Omani nationals must obtain a license from the Ministry of Commerce and Industry to engage in a trade or business in Oman, or to acquire an interest in the capital of an Omani company.

A foreign business is required to register with the Omani tax authorities by filing a declaration of business particulars and supporting documents.

Corporate taxation

Rates	
Corporate income tax rate	15%
Branch tax rate	15%
Capital gains tax rate	15%

Residence: A legal entity is tax resident in Oman if it is established under Omani law or if its headquarters are in Oman.

A nonresident company will be deemed to have a permanent establishment (PE) in Oman if it provides consultancy or other services in Oman for at least 90 days within a 12-month period or it has a dependent agent in Oman.

Basis: Resident companies are subject to tax on worldwide income. A PE is subject to tax only on its Omani-source income. Branches are taxed in the same way as subsidiaries.

Taxable income: Taxable income is gross income for the tax year after deducting allowable expenses and adjusting for disallowed expenses or any exemptions under the tax law.

Rate

General

The standard corporate tax rate is 15%. A 3% rate applies to small companies (as defined). Income from the sale of petroleum is subject to a special provisional rate of 55%.

Surtax

There is no surtax.

Alternative minimum tax

There is no alternative minimum tax.

Global minimum tax (Pillar Two)

Oman has implemented rules that generally are in line with the global anti-base erosion (GloBE) or “Pillar Two” model rules published by the OECD/G20 Inclusive Framework on BEPS that are designed to ensure a global minimum level of taxation of 15% for multinational enterprise (MNE) groups with annual consolidated revenue of at least EUR 750 million. Legislation has been passed that introduces a minimum tax of 15% and a top-up tax on such MNE groups through an income inclusion rule (IIR). The tax authorities are expected to issue executive regulations providing further clarity on specific implementation details.

Taxation of dividends: Dividends received from a resident company are not taxable, but dividends received from a foreign company are included in taxable income.

Capital gains: Capital gains derived from the sale of investments, fixed assets, and acquired intangible assets are subject to corporate tax at the same rate as ordinary income. Gains from the sale of locally listed shares are exempt.

Losses: Losses may be carried forward for five years to offset taxable income. However, losses incurred during the first five years of a tax exemption period or in 2020 may be carried forward indefinitely. The carryback of losses is not permitted.

Foreign tax relief: The tax authorities may allow a credit for foreign taxes paid on a case-by-case basis, up to the amount of the Omani tax liability, regardless of whether Oman has concluded a tax treaty with the source jurisdiction.

Participation exemption: There is no participation exemption.

Holding company regime: There is no holding company regime.

Incentives: A five-year nonrenewable tax exemption is available for manufacturing activities.

The Foreign Capital Investment Law provides incentives, including an exemption from tax, customs duties, and other duties for specific investment projects.

Oman has several free zones that offer certain tax and other benefits to entities operating within the free zones, including exemption from corporate tax for up to 30 years, exemption from duties imposed on goods, no minimum capital requirements, and low Omanization rates (broadly, lower percentage quotas for the replacement of foreign workers with Omani nationals).

Compliance for corporations

Tax year: The tax year is the calendar year, which taxpayers generally are expected to use as their accounting year when preparing financial statements (a different accounting year is acceptable if followed consistently). A new business may use a

non-calendar year opening account period of 12 months or a maximum period of up to 18 months. Accounts usually are maintained in OMR but may be maintained in a foreign currency with the approval of the tax authorities.

Consolidated returns: Consolidated returns are not permitted; each company must file its own return. A foreign person with multiple PEs in Oman must file a single return covering all of the PEs, and the amount of tax payable is based on the aggregate taxable income of the PEs.

Filing and payment: Companies must file a single tax return accompanied by audited financial statements within four months of the end of the accounting year, and the tax due must be paid at that time.

All taxpayers are required to obtain a tax card. The tax card number must be quoted on all contracts, invoices, and correspondence with the Omani tax authorities.

Penalties: Failure to submit a declaration of income to the tax authorities may lead to an arbitrary assessment and penalties. A minimum penalty of OMR 100 and a maximum penalty of OMR 2,000 may be imposed for failure to file a return by the prescribed deadline. Late payment of corporate tax normally results in additional tax calculated at 1% per month on the outstanding amount.

Rulings: Rulings generally are not issued, although they may be obtained for the application of withholding taxes.

Individual taxation

An individual is tax resident in Oman if the individual is present in Oman for at least 183 days in a calendar year.

Neither residents nor nonresidents are subject to income or capital gains taxes in Oman. Nonresidents may be subject to withholding tax depending on the type of income payment (see “Withholding tax,” below). Oman has enacted legislation that will introduce a 5% personal income tax on taxpayers with annual income exceeding OMR 42,000 as from 1 January 2028.

Withholding tax

Rates				
Type of payment	Residents		Nonresidents	
	Company	Individual	Company	Individual
Dividends	0%	0%	0%	0%
Interest	0%	0%	0%	0%
Royalties	0%	0%	10%	10%

Dividends: No withholding tax is imposed on dividends paid to residents. The 10% withholding tax on dividends paid to nonresidents by joint stock companies and investment bond funds has been indefinitely suspended by a royal directive issued on 11 January 2023.

Interest: No withholding tax is imposed on interest paid to residents. The 10% withholding tax on interest paid to nonresidents (with certain exceptions, for example, interest on Omani bank deposits) has been indefinitely suspended by a royal directive issued on 11 January 2023.

Royalties: No withholding tax is imposed on royalties paid to residents. A 10% withholding tax is imposed on royalties paid to nonresidents. The rate may be reduced under an applicable tax treaty.

Fees for technical services: No withholding tax is imposed on fees for technical services paid to residents. A 10% withholding tax is imposed on technical service fees paid to nonresidents, regardless of the place of performance of the services. The rate may be reduced under an applicable tax treaty.

Branch remittance tax: There is no branch remittance tax.

Other: A 10% withholding tax is imposed on management fees paid to nonresidents, regardless of the place of performance of the service. There are certain exceptions, such as the provision of services related to training and participating in meetings, conferences, seminars, and exhibitions.

Anti-avoidance rules

Transfer pricing: Pricing between related parties should be comparable to the pricing of transactions entered into by unrelated parties. Country-by-country (CbC) reporting requirements apply (see “Disclosure requirements,” below).

Interest deduction limitations: Thin capitalization rules require a debt-to-equity ratio not exceeding 2:1 for interest to be deductible on borrowings between related parties.

Controlled foreign companies: There are no controlled foreign company rules.

Anti-hybrid rules: There are no anti-hybrid rules.

Economic substance requirements: There are no economic substance rules.

Disclosure requirements: CbC reporting obligations apply to MNE groups headquartered or operating in Oman with annual consolidated revenue (based on consolidated financial statements) of at least OMR 300 million in the financial year immediately preceding the reporting period. A CbC report notification must be submitted before the end of the reporting financial year, providing details of the ultimate parent entity, including name, tax identification number, and jurisdiction in which the CbC report is filed. In July 2021, the tax authorities suspended the filing of CbC reports for all MNE groups with an ultimate parent entity outside of Oman until further notice.

Related party transactions must be disclosed in the tax return.

Exit tax: There is no exit tax.

General anti-avoidance rule: If a related party transaction results in reduced income or increased costs, the transaction may be set aside and the taxable income will be computed as if the transaction took place with unrelated parties.

Value added tax

Rates	
Standard rate	5%
Reduced rate	0%

Taxable transactions: VAT applies to transactions involving most goods and services, as well as imports of goods and services.

Rates: The standard rate of VAT is 5%, with certain supplies exempt from VAT or zero-rated for VAT purposes. Exempt supplies include financial services, healthcare services, educational services, sales of undeveloped land, resale and renting of residential properties, and local passenger transport. Zero-rated supplies include certain basic food items; medicines and medical equipment; investment gold, silver, and platinum; international or intra-Gulf Cooperation Council (GCC) goods and passenger transport; oil, oil derivatives, and natural gas; exports of goods and services; and supplies to or within the free zones.

Registration: The mandatory registration threshold is taxable turnover of OMR 38,500 either in the current month and preceding 11 months, or the current month and subsequent 11 months. Businesses and individuals not required to register but with turnover exceeding OMR 19,250 may register voluntarily. A nonresident business making taxable supplies to non-VAT-registered customers in Oman is required to register, regardless of the value of those supplies; there is no minimum registration threshold.

Filing and payment: VAT returns must be filed and VAT payments must be made quarterly within 30 days after the end of the relevant quarter. If the filing deadline falls on a public holiday or weekend, the deadline is extended to the next working day. The VAT law prescribes the following minimum information to be included in the return: value of taxable and exempt supplies, total value of imported goods, total value of imported services subject to the reverse charge mechanism, amount of output VAT on revenue transactions, amount of recoverable input VAT on costs, and net VAT due for the period. Where a taxpayer is in a net refund position, a separate VAT refund application must be filed for the relevant calendar quarter within five years from the end of that quarter.

Under the VAT refund scheme, nonresident businesses and foreign governments may obtain refunds of VAT paid on expenses incurred in Oman, subject to certain conditions. Refund applications must be submitted by 31 December for invoices dated 1 January through 30 June and by 30 June of the following year for invoices dated 1 July through 31 December.

Other: An e-invoicing program (“Fawtara”) is being introduced through a phased implementation. Rollout of the pilot phase is expected in August 2026 and will initially focus on the top 100 taxpayers that have been specially selected for this phase, with the goal of full implementation by August 2028. Mandatory compliance will be extended in early 2027 to around 1,500 large taxpayers, and by the third quarter of 2027, will include all taxpayers engaged in business-to-business, business-to-consumer, and business-to-government transactions. By early 2028, entities providing government-to-business services will also need to comply. Invoices will be required to be issued through accredited service providers approved by the tax authorities. Detailed technical specifications and changes to the VAT law are expected to be released by the tax authorities in due course.

Other taxes on corporations and individuals

Unless otherwise stated, the taxes in this section apply both to companies and individuals and are imposed at the national level.

Social contributions and payroll taxes: An employer must contribute 13.5% of the monthly salary of its Omani employees between the ages of 15 and 59 who are permanently employed in the private sector for social security (covering old age, disability, and death), with such employees required to contribute 7% of their monthly salary for social security. The employer must also contribute 1% of the monthly salary of such employees for industrial illnesses and injuries.

Omani employees in both the private and public sectors are required to contribute 1% of their monthly salary to the Job Security Fund, which contributions must be matched by their employer. An employer must also contribute 1% of the monthly salary of non-Omani employees to the Job Security Fund for maternity leave insurance.

A unified system of insurance protection coverage applies to citizens of GCC member states working in other GCC member states.

Capital duty: There is no capital duty.

Real property tax: There is no real property tax.

Transfer tax: There is no transfer tax, but see “Stamp duty,” below.

Stamp duty: Stamp duty applies to the acquisition of real estate at a rate of 3% of the sales value.

Net wealth/worth tax: There is no net wealth tax or net worth tax.

Inheritance/estate tax: There is no inheritance tax or estate tax.

Other: Tourism and municipality taxes may be imposed.

Tax treaties: Oman has concluded over 30 tax treaties. The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS MLI) entered into force for Oman on 1 November 2020.

For information on Oman’s tax treaty network, visit [Deloitte International Tax Source](#).

Tax authorities: Ministry of Finance; Tax Authority

Contact us:

Rami Qudah

rqudah@deloitte.com

Michael Camburn

mcamburn@deloitte.com

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