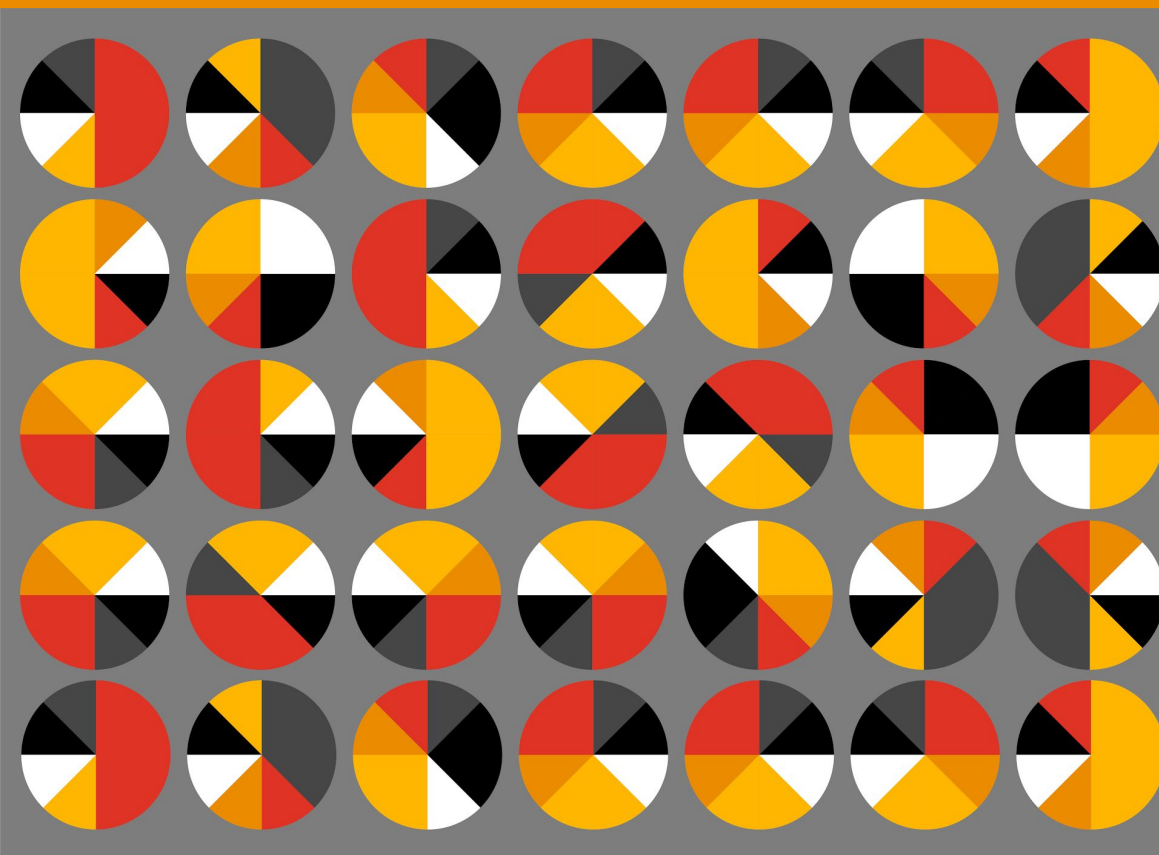


Oman: Capital Market Authority (“CMA”) announces the Common Reporting Standard (“CRS”) inspection and audit of financial institutions by the Secretariat General of Taxation of the Ministry of Finance

7 November 2019



In brief

On 17 October 2019, the Capital Market Authority (CMA) Executive President's Office issued a letter following up on the previous letter dated 28 May 2019, that paved the way to the Common Reporting Standard (CRS). This letter reflects the efforts of the Sultanate of Oman to commit, in the future, to the implementation of the Automatic Exchange of Information.

In detail

Effective 1 July 2019, all Omani Financial Institutions (as defined by the CRS regulations) are required to collect self-certification forms from new account holders to determine their status under the CRS and their jurisdiction of tax residence/Tax Identification Number ("TIN"), where applicable.

Based on a letter issued on 17 October 2019 by the Oman Capital Market Authority ("CMA") Executive President's Office, it has been announced that the inspection and audit of Omani Financial Institutions will be one of the standards of assessment of Oman's implementation of exchange of information regime, namely the CRS. The Oman Ministry of Finance has noted that the audit of CMA regulated entities will be conducted by the Secretariat General of Taxation.

The Secretariat General of Taxation will assess Omani Financial Institution compliance for the period 1 July 2019 to 30 September 2019, to verify whether the procedures of the CRS are being followed in full.

The Sultanate of Oman is one of the first jurisdictions in the Middle East region to begin audit and inspection processes for Financial Institutions under the CRS and could signify the beginning of other Middle East jurisdictions signed up to the CRS to also begin implementing similar processes to assess the level of compliance of Financial Institutions.

The Global Forum of Transparency and Exchange of Information for Tax Purposes issued a document named "The framework for the full AEOI reviews: the Terms of Reference" which states that a core requirement of the implementation of the CRS is that jurisdictions should ensure that all Reporting Financial Institutions apply due diligence procedures which are in accordance with the CRS to review the Financial Accounts they maintain, and collect and report the information required by the CRS.

The takeaway

The Sultanate of Oman is committed to the Automatic Exchange of Information (Commonly known as the “Common Reporting Standard”). The first exchange of information is expected to happen in 2020 and therefore Omani Financial Institutions are expected to report data in respect of calendar year 2019 in 2020.

Given this audit and inspection announcement, it is critical that Omani Financial Institutions implement in full, the CRS requirements and ensure they are onboarding new account holders in a CRS compliant way, beginning from 1 July 2019. This is key in order to be prepared ahead of any audit and inspection processes and for accurate reporting of calendar year 2019 data in 2020.

Let's talk

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

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