Oman: Introduction of a new Tax Institution

October 2019
In brief

As part of recent reforms by the Government of Oman, two Royal Decrees have been issued by His Majesty, the Sultan of Oman, marking a significant step towards evolving the tax function in the country. The Decrees were announced on 13 October 2019, and will be effective from the date of issuance in the Official Gazette. Decree (No. 66/2019) sets up a new “Tax Institution”, that will have its own legal identity and enjoy financial and administrative independence, reporting to the Council of Ministers. Decree (No.70/2019) appoints a Head of the Tax Institution.

In detail

Royal Decree No.66/2019

Royal Decree (No. 66/2019) announced the introduction of a new “Tax Institution” ("Institution"), which will be established as a separate legal entity, with financial and administrative independence and reporting to the Council of Ministers. The Decree does not set out the organizational structure of the Institution, however it provides that the by-laws of the Institution will be issued by way of another Decree in due course.

Furthermore, the Decree provides that all the specializations, powers, prerogatives, allocations and assets of the Secretariat General of Taxes (“SGT”) at the Ministry of Finance (“MOF”), as well as the employees of the SGT (with no change to their existing job status and financial allocations) shall be transferred to the Institution. The Decree stipulates that the Head of the Institution shall be a member of the Financial Affairs and Energy Resources Council.

As per the Decree, there is no change to the provisions of existing tax law and related regulations, except for replacing the phrases “Secretariat General of Taxes” and “Secretary General of Taxes” with “The Tax Institution” and “The Head of Tax Institution”, respectively.

Royal Decree No.70/2019

In line with above, Decree No.70/2019 appoints Mr. Sultan bin Salim bin Said Al Habsi, who is currently the Deputy Chairman of the Board of Governors of the Central Bank of Oman, as the Head of the Tax Institution.

Both Decrees will be published in the Official Gazette and enforced with effect from their date of issuance.
The Takeaway

The establishment of a new autonomous and independent tax institution will hopefully further enhance tax policy and administration, particularly as the tax landscape continues to evolve in Oman and the wider GCC. Please watch out for a more detailed news alert to be issued by PwC, once the by-laws and organizational structure of the Tax Institution are issued.

Let’s talk

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

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