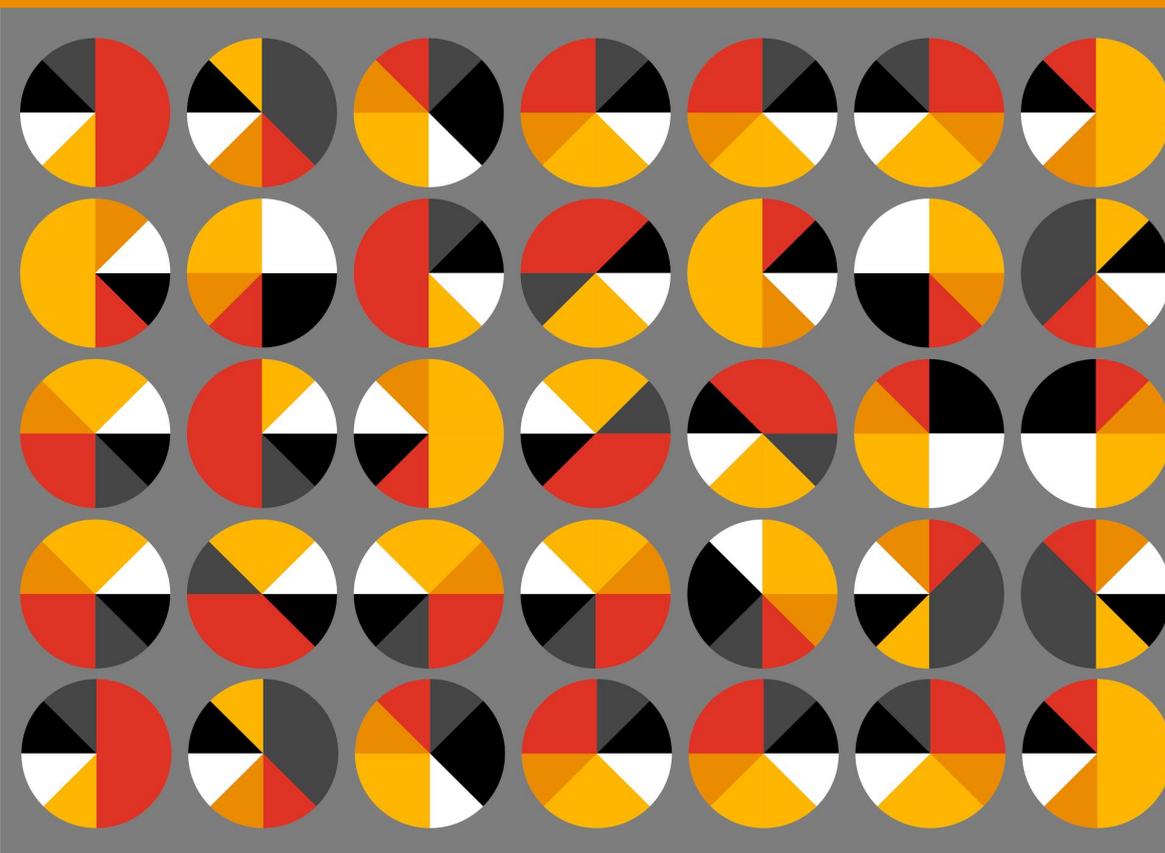


Oman : New fees for obtaining work permit for non-Omani workforce

February 2021



In brief

New fees for obtaining work permit to recruit non-Omani Workforce

Oman's Ministry of Labour ("MOL") issued a Ministerial Decision ("MD") No. 12/2021 published in the Official Gazette on 31 January 2021, introducing an increase in the fees related to obtaining work permit for recruiting non-Omani workforce. This is part of a series of initiatives taken by the Omani government recently with the aim of addressing nationalisation program targets by making the national labour force less expensive for employers to recruit. It is also aiming at serving the objective of optimising non-oil revenue of the country amid current economic conditions caused by COVID-19.

The introduced new fees are ranging between OMR 140, which is for work permit of domestic workers and the like, to OMR 2,000, which is for top positions as classified by the MOL and specified professions set out in the MD or for employees with monthly salary of OMR 4,000 & above, regardless of their occupation.

Special consideration is given to Small-&Medium-Enterprises ("SMEs") of which the respective fees for obtaining work permit can be as low as OMR 100 during the first two years of establishment subject to meeting certain conditions.

The new fees will be effective within 90 days from the date of issuance of the MD in the Official Gazette i.e. by 1st May 2021.

In detail

Work permit fees in the past

Prior to MD 21/2021

Fees for obtaining work permits for recruiting non-Omani workforce were increased for the last time in year 2016, via MD 340/2016. The fees at that time were ranging between OMR 140, for domestic workers and the like, to OMR 200 for farm workers and camel breeders, and OMR 300 for any other occupations. There were no significant changes to the respective fees from year 2016 till last month when the above-mentioned legislation amended via MD 21/2021 introducing a hike in the fees at more than 5 times of previous fees for certain cases, and specifying the fees based on the levels and types of profession and occupations.

The new amended fees and provisions

In line with the country's nationalisation program and in order to address the increasingly demand for jobs by national job-seekers, the Omani government took a step forward and increased the fees for obtaining work permit for recruiting non-Omani workforce with the aim of making the national workforce more attractive and less expensive for the employers. This initiative is also aiming at meeting the country's objective of optimising the non-oil revenue of the state.

Beside the significant increase in the fees, the MD has also made those fees specific to different levels of positions and different types of profession and occupations. Below is a summary of the major amendments introduced in relation to the respective fees and other provisions :

Fees for obtaining/ renewal of work permit

The respective new fees are various in amount based on the occupations and salary range. The highest fee is OMR 2,000 which is for obtaining and renewing work permit for recruitment of non-Omani workforce at high-level professions and certain specified professions as set out in the MD (see Professions List) or non-Omani workforce with monthly salary of OMR 4,000 and above irrespective of occupation. The lowest fee is at OMR 140 which is for obtaining and renewing work permit for domestic workers and the like.

Temporary Work Permits

The MD has also introduced amendments to work permit fees related to certain professions and occupations of which temporary work permits can be obtained, when necessary, and which are for a period between 4 months to 9 months only. Different fees have been determined based on the profession whether it is of high profession, medium profession, or technical and specialised professions as specified by the MOL.

Work Permits in the Case of SMEs

Furthermore, reduced fees have been specified for the SMEs within their first two years of establishment, except in the case of recruiting non-Omani workforce for the professions specified in the MD (see Professions List). Those reduced fees are available to the SMEs, as mentioned above, subject to fulfilling the below conditions :

- The enterprise shall be owned by owners who are dedicated to managing it - other than retirees - registered with the SMEs Development Authority, and insured by the Public Authority for Social Insurance, and that the age of the employer ranges between 22 (twenty two) and 40 (forty years)
- The benefit shall be available to one enterprise only and not for other enterprises owned by the same owner
- At least one Omani shall be employed if the license application is for a number of 6 (six workers) to 10 (ten workers). This condition is not required to be fulfilled in the case of the license application is for number of non-Omani workers less than 6.

The below tables illustrates the respective new fees for obtaining or renewing work permits for the non-Omani workforce, including the license/renewal fee of OMR 1 per work permit :

Sr. No	Work permit to recruit & register the data of non-Omani workforce (non SMEs)	Total Fee for Registration including OMR 1 fee for Issuance/Renewal per worker
1	For occupation of high level professions as specified by the MOL and professions listed in the MD (refer to Professions List) or Monthly salary of OMR 4,000 and above irrespective of occupation	2,001
2	For occupation of medium level professions as specified by the MOL or Monthly salary of OMR 2,500 to OMR 3,999 irrespective of occupation	1,001
3	For occupation of specialised & technical professions as specified by the MOL	601
4	For occupation of a profession of an artisan marine fisherman	361
5	For occupation of any other profession not included in item numbers 1 to 4 above	301
6	For domestic workers and the like (1 to 3 workers)	141
7	For domestic workers and the like (4 workers & more)	241
8	For farm workers and camel breeders (1 to 3 workers)	201
9	For farm workers and camel breeders (4 workers & more)	301

Other applicable fees :

- Fee for updating changes in the data of a worker OMR 5
- Fee for transferring the worker from an employer to another OMR 5

Sr. No	Work permit to recruit & register the data of non-Omani workforce (SMEs)	Total Fee for Registration including OMR 1 fee for Issuance/Renewal per worker
1	For 1 to 5 workers subject to fulfilling certain conditions (applicable only during first two years of establishment of the SME)	101
2	For workers from 6 to 10 subject to fulfilling certain conditions (applicable only during first two years of establishment of the SME)	151
3	For occupation of professions listed in the MD (refer to Professions List) subject to fulfilling certain conditions	1,001

***Note :** In the case of recruitment of more than 10 non-Omani workers, the reduced fees mentioned-above will cease to apply.

The Professions List :

First: Information systems professions

Information systems security & protection specialist	Geographic information systems specialist
Electronic computer networks	Electronic maintenance of programmed machines
Electronic Computer maintenance	Electronic Draftsman
Electronic monitoring equipment assembly agent	Electronic Technician - Communications
Electronic technician - Control devices	Electronic technician - Medical devices
Electronic technician - Radio transmission	Electronic technician - Programmed machines
Electronic technician - Computer networks	Computer programmer
Electronic computer engineer	Electronic computer operator

The Professions List (continued) :

Second: Marketing and Sales professions

Sales specialist	Stockist
Commercial Agent	Commercial Manager
Purchasing and logistics specialist	

Third: Administration and human resources professions

Business Administration Specialist	Public Relations Specialist
Human resources specialist	Administration Manager

Fourth: Media professions

Media specialist	Pages organiser
Paper-drying machine operator	Binding machine operator
Book decoration machine operator	Paper-polishing machine operator
Paper-dye machine operator	Invoice printing machine operator
Cylindrical printing machine operator	Rotary printer operator
Offset printing machine operator	Colour printing machine operator
Flatbed printing machine operator	Paper-folding machine operator
Paper-coating machine operator	Advertising agent

The Professions List (continued) :

Fifth: Medical professions

Dresser	Pharmacist Assistant
Medical coordinator	

Sixth : Airport professions

Flight guide	Ground host
Tickets inspector	Aircraft Take Off Monitor
Air traffic controller	Aircraft Landing Monitor
Airport passenger transport monitor	Ground guide

Seventh: Engineering professions

Architect	Survey engineer
Civil engineer	Electronic engineer
Electrical engineer	Mechanical Engineer
Project Manager	

The Professions List (continued) :

Eighth: Technical occupations

Buildings technician (building supervisor)	Electronic technician
Road technician (road controller)	Mechanical technician
Laboratory technician / soil mechanics	Steam turbine technician
Lab technician / construction materials	Gas networks technician
Construction technician	Transfer stations technician
Generating stations technician	Electrician technician
Thermal coefficient technician	Maintenance technician
Chemical technician	

The takeaway

For many years, the fees associated with work permit of recruiting non-Omani workforce was to some extent a fixed cost that does not vary based on the level of position, salary range, or type of profession to be occupied by such workforce. With the amendments brought by the MD, it is no longer a flat fee, and therefore, employers may have to assess the impact of such significant increase in fees on their businesses in terms of recruitment costs compared to the needs and benefits of hiring non-Omani workforce. The major impact would be in terms of high to medium level professions, hires with monthly salary between OMR 2,500 to OMR 4,000, as well as the specified professions as set out in the MD.

The initiative of introducing the new fees is among other developments expected to take place in respect of the labour market in Oman such as the new labour law which is expected to be issued within the first quarter of year 2021 and the change in work permit system which will be replaced by a new electronic employment system, as per a statement made by His Excellency the Under-Secretary of MOL during a press conference.

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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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