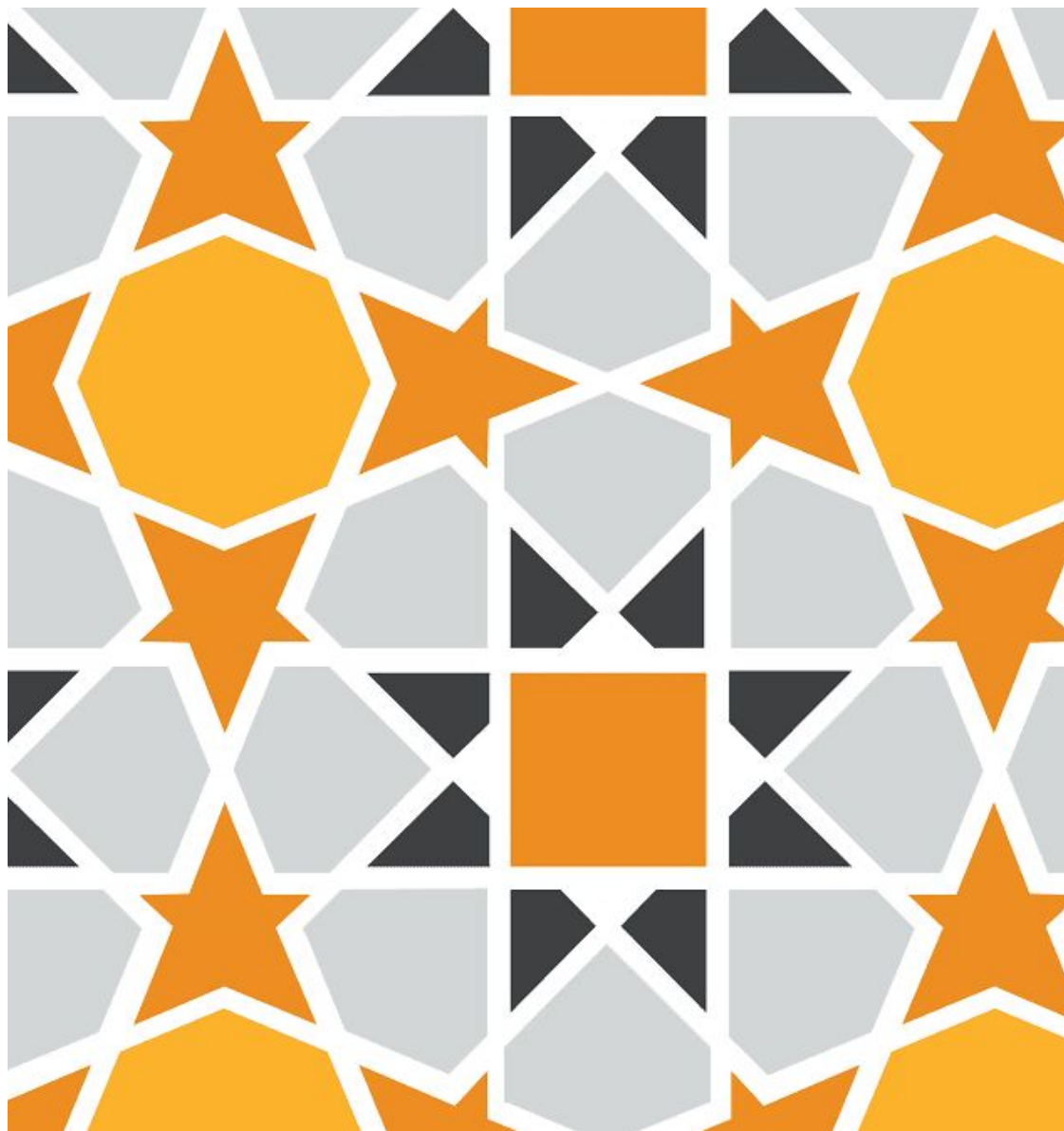


# Sultanate of Oman: Amendment to Oman VAT Executive Regulations

November 2023





## In detail

The Oman Tax Authority (OTA) has amended the Oman VAT Executive Regulations to allow refunds of VAT in certain additional instances. These amendments are summarised below.

- **Refund of VAT paid by charitable organisations on its procurements:**

- i. Charitable organisations can apply for a VAT paid on goods and services procured, that are directly related to charitable activities. These organisations can file a quarterly refund application to the OTA in "specified" form, provided that the amount of VAT refund exceeds OMR 15. The refund process is reasonably familiar: the application should include a copy of tax invoices/simplified tax invoices along with a receipt or proof of deduction of the tax value from the applicant charitable organization's bank account, or a similar document.
- ii. The OTA will then notify the taxpayer regarding the decision related to the refund application within 30 days of receipt of all the required documents. If there is no notification within 30 days, the refund application is considered to be rejected. Further, the VAT refund amount – fully (or partially) approved by the OTA should be refunded to the applicant within 15 days from the date of notification of the decision.

- **Refund of VAT paid on import from a non-taxable person in excess of the tax actually due on the import:**

- i. A taxable person can apply for refund of VAT paid upon import from a non-taxable person in excess of the tax actually due on the import. This is a welcome change - many taxpayers overpay VAT on imports where values are unclear or incorrectly applied. A taxable person in this situation can now file a quarterly refund application to the OTA, once again in the "specified" form, provided that the amount of VAT refund exceeds OMR 15. The refund application needs to include evidence of amendment of Customs declaration and evidence of recovery of any Customs Duty overpaid.
- ii. The OTA will then notify the taxpayer of its decision related to the refund application within 30 days of the receipt of all the required documents, in the absence of which the refund application is again considered to be rejected. The VAT refund amount (fully or partially approved by the OTA should be refunded to the applicant within 15 days from the date of notification of the decision.

- **Refund of VAT paid on imported goods upon re-export:**

- i. A taxable person can apply for a refund in a case where VAT has been paid on import of goods and subsequently are re-exported in accordance with the conditions and controls stipulated in the Common Customs Law, in which case the customs duty is refunded if collected. The taxable person can file a quarterly refund application to the OTA in the specified form, provided that the amount of VAT refund exceeds OMR 15. The refund application should also include the evidence of tax payment and a statement of re-export and customs duty recovery, if collected.
- ii. The OTA shall notify the taxpayer regarding the decision related to the refund application within 30 days of the receipt of all the required documents, in the absence of which the refund application shall be considered to be rejected. Like the refund applications for charitable organizations, the VAT refund amount – fully or partially approved by the OTA should be refunded to the applicant within 15 days of the decision. 2

# The takeaway

Cash is king - any person incurring VAT should ensure that all practical steps are taken to recover the tax incurred. These may be special cases for VAT refund for specific organizations or situations, but the lesson to take away for all of us is to make timely claims for tax paid. As the saying goes, cash is king but time is money too.

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## Let's talk

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

### Chadi Abou-Chakra

Tax Partner  
Middle East Indirect Tax Network Leader

+966 56 068 0291

[chadi.abou-chakra@pwc.com](mailto:chadi.abou-chakra@pwc.com)

### Darcy White

Tax Partner  
Oman Tax Leader

+968 2455 8154

[darcy.white@pwc.com](mailto:darcy.white@pwc.com)

### Maher ElAawar

Tax Partner  
Middle East Indirect Taxes and Fiscal Policy

+971 56 216 1109

[maher.elaawar@pwc.com](mailto:maher.elaawar@pwc.com)

### Robert Tsang

Senior Executive Adviser

+968 9121 8210

[robert.tsang@pwc.com](mailto:robert.tsang@pwc.com)

### Carlos Garcia

Middle East Customs and International Trade  
Leader

+971 56 682 0642

[c.garcia@pwc.com](mailto:c.garcia@pwc.com)

### Jesal Shah

Senior Manager Indirect Taxes

+968 9679 2780

[jesal.s.shah@pwc.com](mailto:jesal.s.shah@pwc.com)

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