



# Oman Tax News Update

May 2025

# 2025 and beyond in Oman Tax

After another busy compliance season closed on 30 April 2025, we believe it's the right time to take stock of recent developments and upcoming changes in the world of Oman Tax. The Oman Tax Authority held its annual conference on 6 May 2025, unveiling key announcements and upcoming plans. In this alert, we bring you the latest insights straight from that session.

## Legislative Developments

### New Law of Special Economic Zones and Free Zones

On 7 April 2025, a new law of Special Economic Zones and Free Zones was passed. Not much in the law is new – the decree codifies the rules by which such zones are established and run, setting out not only the powers that each zone authority exercises, but also the rules that so-called operators, enterprises and real estate developers in these zones must abide by.

At this stage you should note that the law speaks of a “one stop shop” that businesses wishing to establish (or already established) in such zones are able to access. Amongst other things there should be specific customs directorates established in each zone to manage movements of goods in and out. The decree also sets out requirements, rights and responsibilities that accrue to enterprises in these zones, including advantages, incentives, exemptions and facilities. A qualifying enterprise and operator should be exempt from all types of taxes imposed by the Income Tax Law, as well as Customs Duty. Zero-rating and/or out-of-scope treatment for VAT may also apply.

### VAT Executive Regulations change

The OTA published Decision 81/2025 on 20 April 2025, outlining refund procedures for VAT paid by the Oman “armed and security forces”. The decision is very narrow and applies only to local or domestic purchases of ammunition, weapons plus military transport equipment and means (including parts and accessories).

# Oman e-Invoicing and Tax Developments

Lots of things are in the pipeline. At the OTA conference we noted the following:

## e-Invoicing

The Sultanate's plans for e-Invoicing are gathering pace, following the precedents set in Saudi Arabia and the United Arab Emirates. At this stage we understand that the OTA aim to adopt the PEPPOL 5-corner model for e-Invoicing, and that the timeline for introduction is short. The OTA plans to launch e-Invoicing in Oman from Q3 of this year 2025, based on the plan below. Full project rollout is expected to be completed by the end of 2028:

Timeline	Stage
Q3-2025 onwards	Planning, requirement gathering and design
Q1-2026 onwards	Development testing and training
Q3-2026 onwards	Rollout 1: Mandatory implementation - for "Top 100" Large taxpayers and Voluntary implementation - for remaining LTPs
Q1-2027 onwards	Rollout 2: Mandatory – for all LTPs and Voluntary – for remaining taxpayers
Q3-2027 onwards	Rollout 3: Mandatory – for all taxpayers i.e. B2B, B2G and B2C
Q1-2028 onwards	Rollout 4: Mandatory for all taxpayers, this time including G2B

We understand the OTA are planning several technical and query solving workshops over the coming months and we at PwC Oman will continue to run our own to help businesses plan and implement e-Invoicing.

# Oman e-Invoicing and Tax Developments

## Excise or Selective Tax

The OTA reminds taxpayers that the Digital Tax Stamps scheme is to be implemented on import of soft drinks, energy drinks, and other excise products (except sweetened drinks) on 1 June 2025. See our [news alert](#) for more details. On so-called “plastic tax”, the Tax Authority mentioned it may introduce a plastic tax (a mandatory charge on the use of certain plastic products). We expect more information to be announced in the near future. On so-called “sugar taxes” the authority are reviewing whether to introduce an additional tax on sugary or sweetened products.

In relation to Excise Tax compliance, there were some updates on the use of “Standard List Prices”. As you may know, Excise Tax has historically in Oman been applicable on the Standard List Prices (issued by the OTA) and Retail Sales Prices (decided by taxpayers), whichever is greater on a particular product. Standard List Prices are now no longer to be set by the Tax Authority; instead, each taxpayer must derive and be able to evidence Retail Sales Prices of their products. The OTA are providing refunds on excess Excise Taxes deposited on export of excisable goods manufactured in Oman. The OTA also now provides taxpayers with the option of obtaining an ab-initio waiver of Excise Tax on export of excisable goods.

## VAT

Refunds and audits/assessments are top of mind for most taxpayers. The OTA notes that on non-resident businesses VAT refunds, non-resident business can approach the OTA to get a refund of the Oman VAT paid on their expenses based on the provisions laid out in the VAT law.

In relation to VAT returns generally there is an increased focus on reconciliations: in our experience taxpayers need to provide reconciliations in relation to revenue disclosed in financials vis-a-vis revenue disclosed in VAT returns, as well as import VAT paid/postponed as per VAT returns vis-a-vis import VAT paid as per your Customs records. We also observe that the Authority are adopting a new approach to assessments and inspections. There is likely to be a focus on joint tax reviews (i.e., Corporate Income Tax, Withholding Tax and VAT) and combined inspections/audits. This would mean taxpayers would need to be prepared to provide information across taxes. We are looking at this aspect in detail at our PwC workshops, please be sure to sign up to attend to understand more.

Finally, we understand that the Tax Authority are revising a number of the published VAT Guides over the next few months, to address practical issues faced by taxpayers.

# Oman e-Invoicing and Tax Developments

## Income Tax and WHT Developments

Oman Tax Authority has implemented several structural and strategic enhancements to improve operational efficiency and transparency. As part of this transformation, new sections and departments have been established, including:

- Rulings Section: To provide legal clarity;
- Tax Awareness Section: Public education;
- Large Taxpayers and SME Units: Tailored services to the specific taxpayers;
- Tax Objections Department: Impartial dispute resolution;
- Risk Management and Analytics: Data driven audits and compliance support

Furthermore, Oman has signed several new Double Taxation Avoidance Agreements (DTAAs) to strengthen its international tax cooperation and prevent double taxation. The most recent treaties include:

### Cyprus



Signed on 8 December  
2024

### Tanzania



Signed on 15 December  
2024

### Bahrain



Signed on 15 January  
2025

These treaties are designed to eliminate double taxation on income, prevent tax evasion, and facilitate cross-border investment and trade.

The treaties will become effective after the exchange of ratification instruments between Oman and the respective countries. You can refer to our news alerts issued in this regard for more details.

## PwC Oman Tax Workshops

With so much happening in e-Invoicing and tax, it is important for you to stay ahead of the changes, plan and implement what is needed for your business. Join our Tax Workshops to gain insights, share experiences, and connect with the Oman finance community.

Our next session is scheduled for Thursday, 22 May 2025 and stay tuned as we will be announcing further details soon.

## Let's talk

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



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# Thank you

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