



New Executive Regulations shape the future of Oman's Special Economic Zones and Free Zones

September 2026

A large, stylized orange graphic consisting of two parallelogram shapes. One parallelogram is positioned below the date, and the other is to its right, slightly overlapping it. They are both oriented diagonally, with the top-left corners pointing towards the top-left of the page.

In brief

The Public Authority for Special Economic Zones and Free Zones has issued Decision 81/2026, publishing the Executive Regulation of the Law of Special Economic Zones and Free Zones (Royal Decree 38/2025). Published in the Official Gazette on 20 September 2026 and effective from 21 September 2026, the regulation establishes the detailed rules for licensing, tax exemptions, incentives, compliance, and real estate development within these zones.

For qualifying enterprises and operators operating in, or considering a presence in, Oman's Special Economic Zones and Free Zones, the regulation provides critical clarity on how to access incentives and meet ongoing obligations.

In detail

Tax exemptions and activities of a special nature

The regulation specifies that enterprises and operators may apply for exemption from taxes imposed under the Income Tax Law. Applications are submitted through the one-stop-shop. Tax exemption can be granted for a period of 10 years from the date the entity commences its activity, with the possibility of renewal for two further 10-year periods for activities of a special nature. Accordingly, the maximum exemption period can be 30 years, subject to the prescribed conditions and approvals. The regulation identifies the following as “activities of a special nature”, which may be eligible for tax exemption:

- Heavy manufacturing industries (petrochemicals, minerals, basic metals)
- Green industries aligned with national clean energy and net-zero plans, including renewable energy, green hydrogen and derivatives, and associated industries
- Logistics and handling in ports
- Advanced technology industries, data centres, AI technologies, and innovation
- Strategic infrastructure projects
- Food security projects
- Pharmaceutical, medical, biotechnology, and recycling projects
- Administrative offices, commercial representation, and import and export activities, provided they achieve added value for the national economy.

In detail (Cont.)

- Activities of service providers, where the contract period is not less than 15 months at the time of the exemption application
- Any other projects that the Board determines achieve added economic or strategic value

The exemption does not apply to certain sectors, including banks and financial institutions, insurance and reinsurance, telecommunications service projects, contracting companies, and businesses engaged in road or maritime transport.

Enterprises granted tax exemption must:

- Maintain regular financial accounts approved by a licensed auditor
- Submit tax returns in accordance with the Income Tax Law
- Submit copies of financial statements to the Authority upon request
- Retain records and documents for at least 10 years.

Strategic enterprises and the single approval

An enterprise qualifies as “strategic” if its investment cost is not less than OMR 10 million and it meets at least one of the following criteria:

- Contributes to the transfer of modern knowledge and technology
- Enhances local content within Oman
- Contributes to self-sufficiency or economic security
- Contributes to the development of annual exports outside Oman

The Board may waive the OMR 10 million threshold where the nature or strategic importance of the enterprise requires it.

Meeting these criteria does not automatically confer strategic-project benefits; classification, single approval and additional incentives remain subject to the prescribed approvals and decision-making processes.

By decision of the Council of Ministers (on a Board proposal), strategic enterprises may receive additional advantages:

- Exemption from lease value or usufruct consideration for land/real estate for up to 10 years from the date of actual operation

In detail (Cont.)

- Exemption from Omanisation percentages for up to 4 years from the date of actual operation
- Exemption from all or some fees
- Any other advantages proposed by the Board

Licensing requirements

- Licences are issued for a 3-year period, renewable for similar periods
- Renewal applications must be submitted 30 days before expiry
- Automatic renewal is possible through the one-stop shop if details are up to date
- Applicants must be registered in the Commercial Register, hold a valid lease/usufruct, pay prescribed fees, and have no outstanding obligations
- The authority decides on licence applications within 7 working days; silence is deemed to constitute acceptance
- Grounds for licence suspension (up to 6 months) and cancellation are specified

One-stop-shop and compliance obligations

- Operators must establish integrated electronic systems connected to the one-stop shop
- Licensees must pay taxes, fees, and dues on time; meet Omanisation percentages; and comply with health, safety, and environmental requirements
- Licensees must report on progress, investment size, financing, compliance, and workforce data
- Notification of any event affecting the project, finances, or legal position is required within 5 working days
- Licence transfer requires prior written approval from the authority

Effective dates and transitional provisions

- Decision 81/2026 was published in Official Gazette No. 1666 on 20 September 2026
- The regulation comes into force on the day following publication (21 September 2026)
- Existing entities must rectify their status in accordance with the regulation within 6 months from the date of entry into force
- All provisions conflicting with the regulation are repealed

Key takeaways

Clarity on tax exemption eligibility

The regulation provides a framework to help assess whether qualifying operations may be eligible for income tax exemption, subject to applicable conditions, exclusions and approvals. Businesses in advanced technology, green industries, logistics, and manufacturing should evaluate eligibility promptly.

Strategic enterprise incentives are significant

Enterprises meeting the OMR 10 million investment threshold (or qualifying for a waiver) may be granted additional benefits — including up to 10 years of lease exemption and up to 4 years of Omanisation relief — subject to prescribed approvals.

Compliance obligations are now defined

The regulation sets out specific reporting, record-keeping, and notification requirements. If you already operate in the zones, you should review your current practices against the new rules and address any gaps within the 6-month transitional window.

Structuring and entry planning

If you are considering a presence in Oman's zones, the regulation offers a clearer picture of the regulatory environment. You may wish to assess structuring options, incentive eligibility, and the operational requirements you will need to meet.

Existing incentives should be reviewed separately

Existing incentives and exemptions granted under prior legislation or agreements are preserved until the expiry of their respective periods. Existing businesses should therefore review the basis and remaining term of their existing incentives, while also assessing any requirements to align their operations with the Executive Regulations.

Act within the transition period

Existing operators and licensees have 6 months from 21 September 2026 to align with the new requirements. We recommend conducting a gap analysis early to identify and address areas of non-compliance.

How can we help

We can support you in assessing how these developments may impact your business, including evaluating structuring options, potential access to incentives, and cross-border tax considerations, including direct and indirect tax implications.

For tailored advice on how this regulation may impact your business operations, please reach out to:



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