



Oman updates zero-rated VAT lists for food, medicines and veterinary products

October 2026



In brief

On 22 September 2026, the Oman Tax Authority (OTA) issued Decisions 223/2026, 224/2026 and 225/2026 under the VAT Law (Royal Decree 121/2020).

The decisions were published in Official Gazette 1667 on 27 September 2026 and apply from 1 October 2026. They set out the lists of veterinary products, medical products and groceries subject to VAT at 0%.

Each decision has an annex listing the goods by 12-digit customs tariff code and description. Decisions 59/2021 and 65/2021 are repealed.

The decisions can be retrieved from the official website of the OTA via this [link](#).

In detail

Key highlights

Decision	Key highlights
Decision 223/2026 - Veterinary products	- Introduces a new list of 62 veterinary medicines and medical equipment items, such as vitamins, minerals and amino acids, vaccines, antisera, antibiotics, hormones and clinical trial kits for veterinary use. - The 0% VAT rate applies where the goods are listed and the Ministry of Agriculture, Fisheries and Water Resources issues a release permit under the customs code.
Decision 224/2026 - Human medical products	- Repeals Decision 59/2021 and sets out 677 items covering medicines, herbal medicines, biological and health preparations, foods for special medical uses and medical equipment (for example, vaccines, infant formula, diagnostic equipment, wheelchairs, hearing aids and hospital beds). - The 0% VAT rate applies where the goods are listed and the Ministry of Health issues a release permit under the customs code.
Decision 225/2026 - Food products	- Repeals Decision 65/2021 and sets out 807 zero-rated grocery items, including live animals, meat, fish, dairy products, eggs, vegetables, fruits, dates, grains and flours, edible oils, sugar, infant foods, ordinary bread, drinking water, animal feed and table salt. - The decision does not set a permit condition.

Consequences of non-compliance

Incorrect application of the zero-rate may result in an underpayment of VAT, potentially exposing the business to penalties and interest. Conversely, applying VAT to supplies that qualify for zero-rating may necessitate corrective actions, including the issuance of amended tax invoices and adjustments to previously submitted VAT returns.

Key takeaways

The new Decisions, effective 1 October 2026, introduce updated lists of veterinary products, medical products, and food items qualifying for the zero-rate of VAT. Businesses should take proactive steps to assess the impact on their operations and compliance processes, including:

- **Review product classifications:** Assess all relevant products against the newly issued annexes and verify eligibility using the prescribed 12-digit customs tariff codes and product descriptions.
- **Validate regulatory approvals and discontinue reliance on previous lists:** Ensure that medical and veterinary products are supported by the required ministry release permits. Businesses should also note that the lists issued under Cabinet Decisions No. 59 of 2021 and No. 65 of 2021 cease to apply from 1 October 2026.
- **Update systems and VAT reporting processes:** Revise ERP tax codes, product master data, invoicing configurations, and VAT reporting processes to align with the updated zero-rated product lists.
- **Evaluate VAT recovery and refund opportunities:** Businesses with significant volumes of zero-rated supplies may continue to incur VAT on their purchases. Where recoverable input VAT exceeds output VAT, taxpayers may be eligible to claim a VAT refund, subject to the applicable legislative requirements and review by the Tax Authority.

Early assessment and implementation of the required system, tax and compliance changes will be critical to ensuring a smooth transition and mitigating potential VAT risks from the effective date.

How can we help

PwC tax specialists can support businesses in assessing the impact of the updated zero-rated product lists, reviewing product classifications against the newly issued customs tariff codes and product descriptions, validating the VAT treatment of medical, veterinary, and food products, and ensuring compliance with the new regulatory requirements effective from 1 October 2026.

PwC can also assist with updating ERP tax configurations, product master data, invoicing and VAT reporting processes, identifying VAT recovery and refund opportunities, and implementing the required tax governance and compliance measures to facilitate a smooth transition and mitigate potential VAT risks.

Contact our team



Gaurav Kapoor

Tax Partner
Oman - Tax & Legal Services Lead
gaurav.x.kapoor@pwc.com



Maher ElAawar

Tax Partner
Oman - Indirect Tax Lead
maher.elaawar@pwc.com



Carlos Garcia

Partner - Customs and
International Trade
c.garcia@pwc.com



Rohit Agrawal

Senior Manager
Indirect Tax
Rohit.b.agrawal@pwc.com

About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 151 countries with nearly 364,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

Established in the Middle East for over 40 years, PwC Middle East has 30 offices across 12 countries in the region with around 12,000 people. (www.pwc.com/me).

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

© 2026 PwC. All rights reserved