



# Royal Decrees strengthen investment cooperation and establish Oman's AI Special Zone

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A large, decorative orange graphic is positioned at the bottom of the page. It consists of two overlapping parallelogram shapes. The first shape is a solid orange parallelogram on the left. The second shape is a larger orange parallelogram on the right that overlaps the first one, extending further to the right and slightly higher up.

## In brief

The Sultanate of Oman has recently issued two Royal Decrees introducing significant developments aimed at strengthening international investment cooperation and advancing the digital economy:

1. Royal Decree 45/2026 ratifies an agreement between Oman and Belarus, establishing a joint committee for cooperation and investment.
2. Royal Decree 50/2026 establishes an Artificial Intelligence (“AI”) Special Zone in the Governorate of Muscat. Projects established in the zone are granted incentives, advantages, exemptions, and facilities under the Special Economic Zones framework.

These measures reflect Oman’s continued focus on enhancing bilateral economic relations and positioning itself as a regional hub front runner for emerging technologies and investment.

## In detail

### **Royal Decree 45/2026 – Oman–Belarus Joint Committee for Cooperation and Investment agreement**

Royal Decree 45/2026 ratifies the agreement signed on 19 May 2025 between Oman and Belarus to establish a Joint Committee for Cooperation and Investment.

The Committee is expected to:

- Promote and coordinate economic, technical, and investment cooperation between the two countries.
- Support businesses and investors in identifying and developing mutually beneficial opportunities.
- Facilitate information exchange, joint initiatives and monitoring of implementation of agreements, and develop recommendations to remove obstacles during project execution.
- The Committee will include representatives from both the public and private sectors and will be co-chaired by senior government authorities from each country.

It will meet periodically and may establish working groups or conclude further agreements to advance cooperation in priority sectors, such as health, agriculture and industry.

The agreement also covers cooperation in areas such as tourism and cultural exchanges, business engagement, exhibitions, SMEs, consulting and training, technology and research, joint ventures, representative offices, branches, and wider regional or international cooperation.

## **Royal Decree 50/2026 – Establishment of the Artificial Intelligence Special Zone**

Royal Decree 50/2026, issued on 5 April 2026, establishes a special economic zone named “Artificial Intelligence Special Zone” in the Governorate of Muscat. Key features include:

- Creation of a dedicated special economic zone for AI-related projects and activities, based on an approved masterplan.
- The Board of Directors of the Public Authority for Special Economic Zones and Free Zones will appoint the person responsible for managing, operating and developing the zone, in coordination with the Ministry of Transport, Communications and Information Technology.
- Projects established within the zone will benefit from the incentives, exemptions and facilities provided under the Law of Special Economic Zones and Free Zones. The detailed practical application of these incentives should be monitored through any implementing decisions, licensing rules or guidance issued by the relevant authority or zone operator.

## **Implications for businesses**

- **New investment corridors may emerge**

The Oman–Belarus agreement establishes a formal mechanism to facilitate bilateral investment, which could lead to increased deal flow, partnerships and sector-specific opportunities. Businesses with exposure to either market should monitor developments closely and be prepared to respond to emerging opportunities.

- **AI Special Zone presents structuring and incentive opportunities**

The introduction of the AI Special Zone creates a potential platform for technology, data, cloud, automation, and digital businesses to establish or expand operations in Oman within an incentive-driven environment. Early evaluation may allow businesses to optimise their entry strategy and positioning.

- **Reassessment of regional structures may be timely**

These developments provide an opportunity for both existing and prospective investors to revisit their regional footprint, including whether current operating or holding structures remain efficient from a tax and commercial perspective.

- **Proactive planning will be key**

As further guidance and initiatives evolve, businesses that assess implications early—particularly around incentives, substance, and cross-border transactions—will be better positioned to capture value and manage emerging risks.

## 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 these treaties may impact your business operations, please reach out to:**



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