In response to the COVID-19 threat, the Oman Government announced the following measures that are effective immediately.

This is made available for information purposes only and AHK will accept no liability or responsibility whatsoever for the accuracy or completeness of this information. Please refer also to our legal disclaimer.

**Tax and Custom related**

**Corporate income tax measures**

As of March 31: The Oman Tax Authority has announced the following tax measures effective immediately:

Automatic three month extension to the filing and payment due date for corporate income tax, with no penalty imposed for late filing and payment, for all CIT returns due affected by COVID 19;

Formal application and approval for all taxpayers to settle taxes due by way of installments, with no penalty imposed;

An extension for taxpayers to raise objections against original, rectified or additional tax assessments from the Oman Tax Authority provided they can justify the delay at the time of filing the objection.

Taxpayers can request for a discretionary extension on the time to submit required information and documents to the Tax Authority in relation to an objection. If approved, the duration for making a decision on objection is also automatically extended.
Donations made by taxpayers for the purpose of combating the COVID-19 pandemic shall be allowed as a deductible expense for CIT purposes for FY20 fiscal year, provided such donations are made in accordance with the provisions of the Oman Income Tax Law and Executive Regulations.

**Indirect tax measures (VAT and Customs)**

As of March 25: The Omani customs authority has announced that where the importer is unable to obtain or produce the necessary authorisations (i.e., documents and certificates of the goods from the exporting country), the relevant goods will be cleared nevertheless.

Further, the current requirement to obtain a guarantee for the non-submission of original legalised documents has been waived until further notice.

As of April 6: Royal Oman Police represented by the Directorate General of Customs in cooperation with the Oman Chamber of Commerce and Industry has announced that:

Documents accompanying the goods will be considered original documents without collecting the guarantee stipulated in Clause (9) of Article (1) of Customs Decision No. 38/2017 and Customs Circular No. 37/2017.

Product authentication labels (including country of origin) will be accepted in case the certificate of origin cannot be submitted.

**Individual taxes and labor**

As of April 16: The Public Authority for Social Insurance (PASI) has announced postponement of the payment of monthly contributions due for the months of March, April and May until the end of June 2020.

Payment of the postponed contributions can be made as a single payment before the end of June 2020, or in installments, with further details on how this will work to be detailed later.

The measure includes an exemption from any fines that would have resulted from the delay in payment of the contributions due for March-May 2020, as well as any fines that result from a delay in registering their Omani workforce, or notification of the end of their services during the same period, but specifically does not cover failure to meet these obligations in prior months (i.e. pre March 20)
Tax payments/penalties amnesty

The following tax measures are effective immediately:

- Exemption from Tourist and Municipal Tax (rate 4%) for restaurants until 31 August 2020; and
- Exemption from Municipal Tax (rate 5%) for commercial establishments until 31 August 2020.
- Economic measures

The following economic measures are effective immediately:

Government warehouse facilities to store food commodities can be used free of charge for the next six months;
All loan installment payments to the Al-Rafd Fund by SMEs are deferred for the next six months;
All loan installment payments to the Oman Development Bank are deferred for the next six months;
Three month exemption from rent payments for factories located in the industrial cities (under Madayn i.e. Rusayl, Suwar, Raysut, Sur, Nizwa, Buraimi, Al Muzunah, Samal, Knowledge Oasis Muscat);
Exemption from trade license renewal fees for companies renewing within the next three months;
Reduction in handling, shipping and unloading fees at ports; and
Reduction in air freight charges on food products and medicine.

As of March 31: On 18 March the Central Bank of Oman introduced a stimulus package of USD 20bn to support the economy.

Immigration and Employment measures

Effective 23 March, the Royal Oman Police (ROP) have closed all their service offices related to civil status, passports, residence and traffic until further notice.

The Ministry of Manpower (MoM) in Oman is currently working with a reduced workforce at a maximum capacity of 30%. Therefore, delays in all the ongoing applications are expected. (Vendor)

As of March 31: Given the suspension of all international flights to Oman, the Royal Oman Police (ROP) have provided an online Residence Permit (RP) extension option to holders currently outside Oman whose RPs have
either expired or will expire during this suspension period. Such individuals can then complete other standard renewal formalities once they have arrived in Oman after the suspension is lifted.

With regards to the individuals who are currently in Oman and are not able to exit due to the suspension of travel, they are able to extend their visas online on the ROP website and stay in Oman until the suspension is lifted.

**Other measures**

**As of March 31:** The Oman Ministry of Finance has instructed all state owned entities to reduce budgets by 10% in response to COVID-19 (and low oil prices) through the following:

- Reducing operating and administrative expenses;
- Suspending implementation of new projects;
- Suspending training programs; and
- Reducing allocations for official missions.

**As of April 2:** Effective April 1 and as per the decision taken by the supreme committee, the Sultan's Armed Forces (SAF) and the Royal Oman Police (ROP) in a joint effort have suspended the movement of citizens and residents between all governorates until further notice.

However, the following will be exempted from the movement restriction:

- Public and private sector employees whose nature of job requires their presence at their office;
- Ambulance and emergency services;
- Military and security vehicles;
- Vehicles transporting food items and other necessities;
- Vehicles transporting commercial and construction materials, petroleum derivatives and other materials for public and commercial use;
- Exceptional cases that require the movement of citizens and residents between governorates will be assessed by officers at the checkpoints;

Private Sector employee’s whose presence is required at the office and are exempt from the above restriction will require a letter of authorization from the CSP and to carry their ID Cards.