

The Journey of Oman VAT V.1

About Author:-



Tejveer Singh is working as a Tax Manager at GCC Filings Bookkeeping LLC (Dubai, UAE) for the last 2 and half years. He is handling compliances and provide VAT & ZOHO software training in UAE. He has more than 7 years' experience in GST & VAT. He has worked in India (VAT & GST) with well-reputed Accounts & Taxation firms. He has served so many valued clients in India and UAE. He is continuing to write articles and updating clients about the latest changes in UAE and other GCC countries regarding VAT/Excise. He is very Enthusiastic, Curious, and Passionate to learn, work, and grow.

Area of Expertise:- VAT/GST & Indirect Taxation

Education:- Bachelor's Degree in Computer Science, Vinayaka Mission University, India

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About GCC:

The Cooperation Council for the Arab States of the Gulf, originally known as the Gulf Cooperation Council, is a regional intergovernmental political and economic union consisting of all Arab states of the Persian Gulf except Iraq, namely: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

Headquarters: Riyadh, Saudi Arabia

Founded:- 25th May-1981, Abu Dhabi

Official Language:- Arabic

About Oman:-

Oman, officially the Sultanate of Oman, is a country on the southeastern coast of the Arabian Peninsula in Western Asia.

Capital: - Muscat

Currency:-Omani Rial

Corporate Tax: - Yes 15%

Personal Tax: - No

Excise Tax: - Yes

VAT History:-

The VAT was first introduced at a national level in France 10th April-1954. VAT has been implemented in more than 160 countries around the world. It is an indirect tax charged on nearly all goods and services that are bought and sold. VAT is a tax on consumption that is paid and collected at every stage of the supply chain; from a manufacturer's purchase of raw materials to a retailer's sale of an end-product to a consumer.

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GCC “Selective Tax” Comparative Sheet			
Country	Products	Rate of Tax	Source of Information
Oman	Tobacco and tobacco derivatives	(100%)	https://taxoman.gov.om/portal/excise
	Alcoholic beverages	50% (w.e.f. 1 st July-2020 100%)	
	Pork products	(100%)	
	Energy drinks	(100%)	
	Carbonated drinks	(50%)	
	Sweetened beverages	(50%) (w.e.f. 1 st October-2020)	
UAE	Tobacco and tobacco products	100%	https://www.tax.gov.ae/
	Liquids used in electronic smoking devices and tools	100%	
	Electronic smoking devices and tools	100%	
	Energy drinks	100%	
	Sweetened drinks	100%	
	Carbonated drinks	50%	
KSA	Tobacco	100%	https://gazt.gov.sa/ar/eServices
	Energy drinks	100%	
	Carbonated drinks	50%	
	sugar Sweetened Beverages – “SSBs”		
	Electronic devices and equipment used for smoking, and their equivalents	100%	
	Liquids used in electronic devices and equipment used for smoking, and their equivalents	100%	
Bahrain	Tobacco Product	100%	https://www.mofne.gov.bh/Tax.aspx
	Energy Drinks	100%	https://www.bahrain.bh/
	Soft Drinks	50%	
Qatar	Tobacco and tobacco derivatives	100%	https://gta.gov.qa/en/excise-tax/

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	Carbonated drinks (non-flavoured aerated water excluded)	50%	
	Energy drinks	100%	
	Special goods	100%	
Kuwait	N/A	N/A	

GCC VAT Comparative Sheet		
Country	VAT Rate	Applicable
KSA	Introduced 5% and now 15%	1 st Jan-2018 5% And w.e.f 1 st July-2020 15%
UAE	5%	1 st Jan-2018
Bahrain	5%	1 st Jan-2019
Oman	5%	1 st April-2021
Qatar	Pending	Pending
Kuwait	Pending	Pending

TAX Alerts
GCC VAT

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Journey of Oman VAT V.1

Oman VAT journey was started with like other GCC countries. Following the signing of the Unified VAT Agreement for the Cooperation Council for the Arab States of the Gulf ("Agreement"), the Sultanate of Oman, along with the other GCC Member States ("States"), agreed to implement a VAT. The Agreement, acts as a basis for domestic VAT legislation by stipulating certain principles, which must be followed by all members, while still allowing the States to opt for different VAT treatment and approaches in certain areas. Thus Oman will issue its national Law and publish its Regulations based on the provisions in the Agreement in due course after appropriate deliberations by the Shura Council and the Oman government.

In Oman like other GCC countries i.e. KSA, UAE and Bahrain, VAT is being implemented to reduce the dependency on Oil & Gas economy.

According to Scott Livermore, ICAEW economic advisor and chief economist at Oxford Economics, the introduction of 5% VAT to give Oman's economy \$780m boost.

Introduction of 5% VAT early in 2021 could be coming at the best possible time as Sultanate battles economic impacts of Covid-19 and low oil prices.

Source of information:-

<https://www.arabianbusiness.com/politics-economics/450045-introduction-of-vat-to-give-omans-economy-780m-boost>

On July, 2020 Shura council discussed and approved Value Added Tax (VAT) draft law and referred it to the State Council. The state council has 15 days to approve the bill or suggest amendments before it is submitted to his Majesty.

The Shura council referred draft law to State Council with three conditions to introduce the Value Added Tax (VAT):-

1. Minimum growth rate of GDP should be increased 3% after the implementation of VAT.
2. VAT should only affect those with a monthly income RO 900 or more (\$2,340).
3. And to allocate around RO100 million every to support low-income groups.

Source of information:-

<https://omannews.gov.om/NewsDescription/ArtMID/392/ArticleID/16457/Majis-A%E2%80%99Shura-Forwards-Draft-Laws-on-VAT-Income-Tax-to-State-Council>

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On 3rd Sep, 2020, The State council reviewed and referred the draft law on Value Added Tax (VAT), along with the views of the Council and Majlis A'Shura to his Majesty for final approval.

On 12th October, 2020 His Majesty Sultan Haitham Bin Tarik has given the approval and issued Royal Degree No. 121/2020 is on issuance of the Value Added Tax. The Royal Degree first three Articles as follow:-

Article (1) says that the Value Added Tax annexed to this decree shall apply

Article (2) says that the chairman of the Taxation Authority shall issue the executive regulation of the attached law within not later than six(6) months from date of implementation of the law along with issuance of the decisions necessary for implementation of its provisions.

Article (3) This decree shall be published in the Official Gazette and shall take effect after 180 (One Hundred and Eighty) from its date of publication.

Recently Important Highlights

The official Royal Decree 121/2020 will be publish 18th Oct-2020. Right now it is available in Arabic.

The VAT Decree Law may be published soon.

And it is being expected that Executive Regulation may be publish before the end of the 2020.

It is being expected that now tax authority will begin to provide VAT awareness campaign for businesses/industrials/individuals.

It is now clear that VAT standard rate will be 5% like other GCC countries KSA (Now from 1st July-2020 15%), UAE and Bahrain.

A list of goods and services has been published where VAT 5% will not be applicable.

Website for Oman VAT information:- <https://tms.taxoman.gov.om/portal/web/taxportal/>

It is being expected that Oman TA may be launched another Portal like Bahrain specifically for VAT/Excise.

Value Added Tax (VAT) registration application may be accept in the starting of 2021.

Businesses have approximately six months' time to prepare for VAT.

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Royal Decree

No. 121/2020

**— on the issuance of —
Value Added Tax Law**



جهاز الضرائب



مجلس الوزراء

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What
is

Value
Added Tax



It is a tax on consumption. It is imposed on all types of local goods and services or imported ones, except exempted goods.

Before
VAT



1.000
OMR

+ 5 % VAT

=



Final
price

1.050
OMR



The VAT will be applied at a rate of **5 percent** and it will be imposed on goods and services in the Sultanate—at each outlet (shopping outlet or establishment).



The VAT will be borne by the consumer. Tax paying importer will calculate the VAT, collect it and deliver it to the Tax Authority.

VAT will be applied after 180 days from the date of publishing the Royal Decree in the Official Gazette.



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List of goods and services

that are not subject to the VAT



Basic foodstuffs



Healthcare services and goods and related services



Education services and goods and related services



Financial services



Non-developed lands (plain/empty lands)



Resale of real estate properties



Public transport services



Lease of real estate properties for residential purposes



Import of medical drugs and medical equipment



Import of gold, silver and platinum as an investment



Import of international transport and environmental transport of goods or passengers and import of related services



Import of aircraft, rescue ships and auxiliary crafts



Import of crude oil, its products/derivatives and natural gas



Import of maritime, air and land transport vehicles for the transport of goods and passengers for commercial purposes, as well as import of related services



Supplies for the disabled and charity organisations



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Tax Authority Published First VAT Basic Information

1. What is VAT?

VAT has been implemented in more than 160 countries around the world. It is an indirect tax charged on nearly all goods and services that are bought and sold in the Sultanate, including goods and services imported into the Sultanate. Certain goods and services may be zero-rated or exempt. VAT is a tax on consumption that is paid and collected at every stage of the supply chain; from a manufacturer's purchase of raw materials to a retailer's sale of an end-product to a consumer.

2. How does it affect Omani businesses?

Effectively, Omani businesses act as a tax collector for the Sultanate of Oman and bear the costs of charging, collecting and claiming back the VAT – and staying compliant.

Businesses must register for VAT if they meet or expect to meet an annual supplies threshold. Any business with annual supplies of mandatory registration threshold or more must register for VAT. Generally, businesses with supplies of voluntary registration threshold up to the mandatory threshold above may register voluntarily. Businesses will need to run a robust accounting and invoicing system and keep accurate records. Note that a taxable person (i.e., a person who carries on any business at any place in Oman and who is registered or required to be registered as per the VAT Regulations) can be an individual, partnership, corporation or any other legal entity.

3. What does VAT mean for the consumer?

VAT will be charged by VAT registered businesses on taxable goods and services to its customers. The standard rate of tax will be 5% on most goods and services, with a few exceptions (e.g. certain financial services).

4. Will VAT be payable on food?

Generally, yes. However, certain food items will be zero-rated. You will be able to refer to Chairman's decision for the full list of zero rated basic groceries

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5. Will VAT be payable on property?

Certain residential property transactions, such as resales and leases, are exempt from VAT. Therefore, renting a residential property, for example, will not attract VAT. However, for residential leases, the lease needs to be under certain conditions. This means that holiday rentals, short-term leases, hotel stays, etc. will all be subject to VAT. Commercial property, both sales and leases, will be subject to VAT.

6. What items are exempt of VAT or zero-rated (i.e., VAT charged at 0%)?

There are selected items that are not subject to the standard VAT rate of 5%, including:

- Exports (zero-rated)
- School fees set out in the regulations (exempt)
- Certain healthcare services (zero-rated)
- Sale of bare, (e.g. vacant land) (exempt)
- Certain financial services, such as a life insurance policy (exempt)

7. How does VAT affect visitors and tourists?

Visitors, tourists, and diplomats will still be charged VAT on their taxable purchases, however, they will be able to obtain a refund based on certain conditions specified in the Regulations (including type of items eligible for refund, minimum value for a refund to be considered, etc.) This refund scheme will only apply to people travelling to and from Oman from outside the GCC.

8. Will VAT be due on prepaid goods/services?

Where amounts are paid towards goods and services prior to the implementation of the VAT Law, VAT may become due if the goods or services are supplied after the implementation date - whether in part or in full. There will be special transitional rules to deal with these circumstances.

Guidance will be available with regards to any transitional provisions in due course. Some of the transitional provisions are in place to tackle tax avoidance.

9. Do I have to register for VAT if I am self-employed?

Not all self-employed businesses need to be registered for VAT. Some traders are not registered for VAT because their businesses are small – and some business activities do not attract VAT. If your business income reaches the VAT mandatory registration threshold, you must then register for VAT. If you are not required to register for VAT due to the level of your sales, you may choose to voluntarily register for VAT. You may wish to register as you may be able to reclaim the input tax paid on your expenses. Further information will be released on the VAT registration threshold, and timelines for the requirement to register, in due course.

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10. How does VAT affect Oman?

The VAT in the Sultanate of Oman is similar to other countries around the world (e.g. used in more than 180 countries), but is a relatively new form of tax in Oman.

Adopting VAT in Oman will have a positive impact on its development and international competitiveness, and will contribute to building a sustainable knowledge-based economy for future generations. The tax collected will provide additional financial resources for the country which will enable it to improve its services and continue developing upcoming infrastructure.

The new VAT rate (i.e., 5%) is among the lowest internationally and its effects on individuals will be minimal, as it relies mainly on the averages and patterns of individual spending. The contributions to economic and social development will be considerable and it will help improve government services – enhancing the welfare of individuals.

The Sultanate of Oman government provides various public services to citizens and residents, including hospitals, roads, public schools, parks, waste management and police services. Therefore, the VAT will provide an additional source of income for the country that will ensure the continued quality of public services. It will also help Oman achieve its goal of decreasing the country's reliance on oil and other hydrocarbon products as its main sources of revenue.

- It generates a more stable and predictable tax income to the country in both good and weak economic environments.
- It is an efficient tax due to the comparatively lower cost of administration and collection.
- It helps the government to avoid introducing personal incomes taxes, and in turn encourages more foreign direct investment. This leads to overall economic growth.

11. Will there be a GCC VAT registration confirmation system in place to confirm I am dealing with a VAT registered business?

The Framework Agreement envisages an electronic matching system for intra-GCC systems. In practice this system may not be available for a while and so it is likely a VAT number checking system will be made available country by country.

The Ministry of Finance and the TA are in the process of developing a system and will make an announcement when the system, at least for Omani businesses, will be available.

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VAT Information Sheet-VAT Basics

1. Introduction

In preparation for the introduction of the Value-Added Tax (“VAT”) in the Sultanate of Oman, the Tax Authority (“TA”) is publishing this information sheet to support all consumers and businesses in the Sultanate while the local VAT Law (“Law”), Executive Regulations (“Regulations”), and guidance are being drafted and reviewed by the Oman government.

As the authoritative body in charge of the implementation and administration of the VAT in Oman, the TA has already taken a number of steps ahead of the Law coming into effect, including drafting legislative instruments, designing administrative processes and procedures, developing appropriate IT systems, and compiling taxpayer guides and other publications as part of its preparation. In due course, the TA will be releasing these to the public to broaden the public’s VAT awareness and pre-empt any questions and concerns consumers and businesses may have regarding the new tax.

1.1 Legislative background

Following the signing of the Unified VAT Agreement for the Cooperation Council for the Arab States of the Gulf (“Agreement”), the Sultanate of Oman, along with the other GCC Member States (“States”), agreed to implement a VAT. The Agreement, acts as a basis for domestic VAT legislation by stipulating certain principles, which must be followed by all members, while still allowing the States to opt for different VAT treatment and approaches in certain areas. Thus Oman will issue its national Law and publish its Regulations based on the provisions in the Agreement in due course after appropriate deliberations by the Shura Council and the Oman government

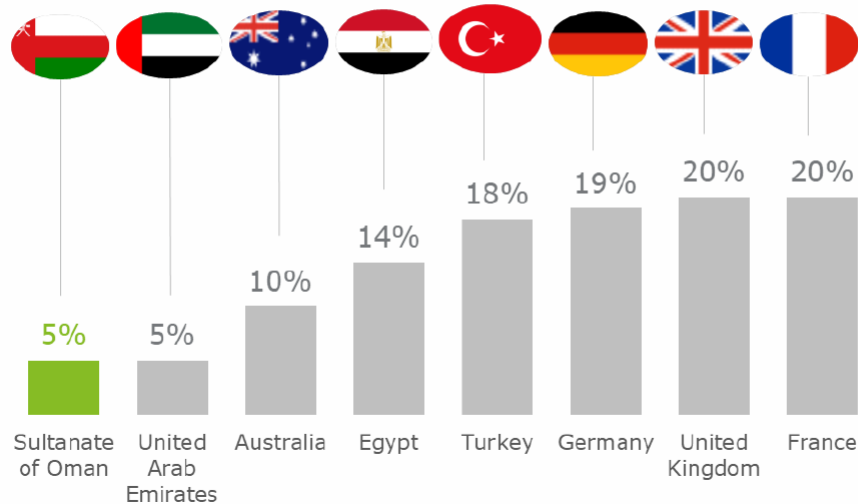
2. What is VAT?

VAT has been implemented in more than 160 countries around the world. It is an indirect tax charged on nearly all goods and services that are bought and sold in the Sultanate, including goods and services imported into the Sultanate. Certain goods and services may be zero-rated or exempt. VAT is a tax on consumption that is paid and collected at every stage of the supply chain; from a manufacturer’s purchase of raw materials to a retailer’s sale of an end-product to a consumer.

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Figure 1: Oman VAT rate compared to other jurisdictions



2.1 How does VAT work?

VAT is not an ultimate cost for businesses, in general terms. Businesses will collect and account for the tax on the supplies they make; businesses will also pay VAT on the purchases they make. VAT adopts an offsetting mechanism such that the amount of VAT to be remitted to the TA is the difference between the *output tax* (VAT charged and collected on sales) and the *input tax* paid (VAT paid on purchases).

Some businesses, due to the nature of their activities or supplies, will be in a position of excess of VAT because the output tax in a tax period is less than the input tax.

For some businesses, there will be a *partial exemption* or restriction on the input tax it can claim either because of the type of supplies and services it makes or its purchases of goods and services are not used for business purposes (e.g. for private use). More details on these restrictions will be provided in due course.

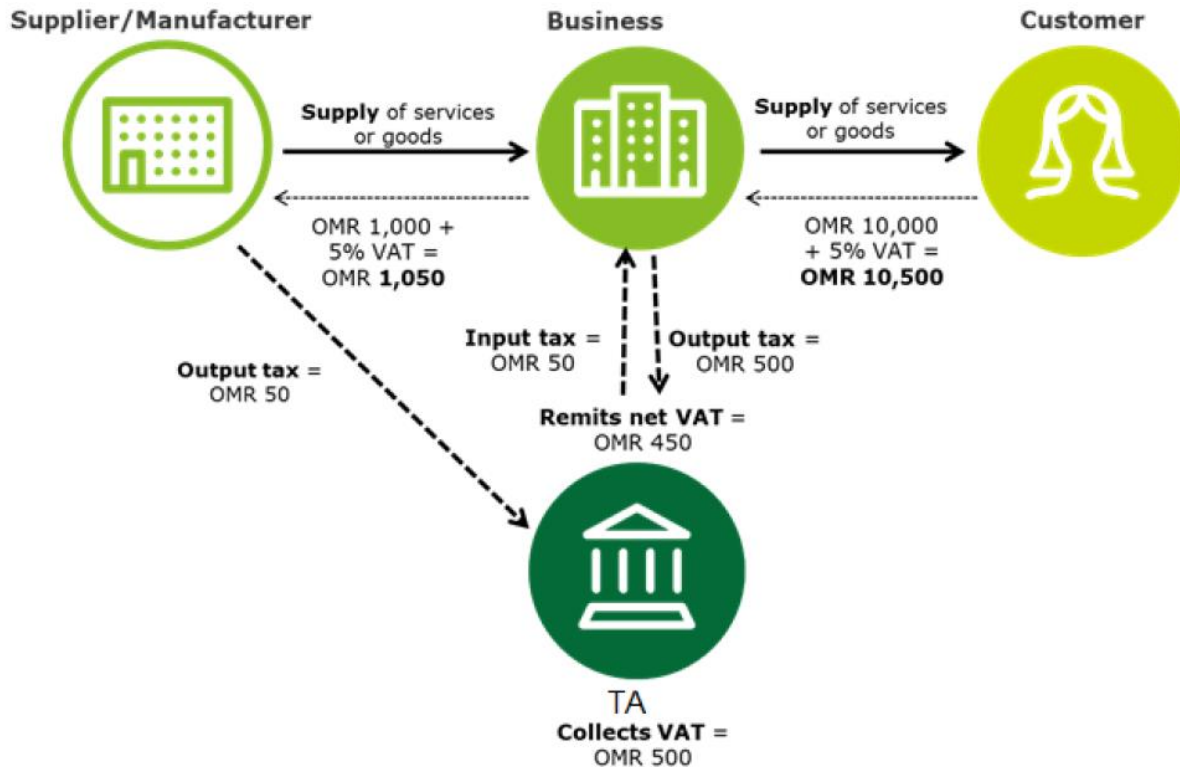
Final consumers will ultimately bear the cost of VAT.

As mentioned above, the VAT is imposed on a *taxable person*; this is a *person* (an individual, company, joint venture, or partnership) who is registered for VAT (or required to), in accordance with the Agreement.

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Figure 2: Illustration of VAT mechanism



3. Registering for VAT

VAT is a self-assessed tax and businesses are required to continually assess the need to be registered for VAT. Further information on the VAT registration threshold, and timelines for the requirement to register, will be provided in due course.

VAT registration falls into two categories: mandatory registration and voluntary registration. If a taxable person exceeds the annual mandatory registration threshold, it is obligated to register; if it exceeds a voluntary registration threshold, it has the option to register.

A person who does not reside in Oman but who makes supplies in the Sultanate must also register for VAT. Only taxable supplies are taken into account to calculate the threshold.

There are two tests to determine if a person should register for VAT:

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i) Backward Look: Has the taxable turnover exceeded the mandatory VAT threshold in the current month plus the previous 11 months?

ii) Forward Look: Is it expected that the taxable turnover will exceed the mandatory VAT threshold in the current month plus the next 11 months?

These tests should be carried out on a monthly rolling basis by an unregistered person engaged in economic activity. If the answer is yes for either test, the person must register for VAT.

For the purposes of voluntary registration, a person may take into account taxable supplies or expenses that are subject to VAT. For example, a business that has not yet fully begun economic activity, but intends to, and has incurred expenses subject to VAT in excess of the voluntary registration threshold may opt to register.

Figure 3: Mandatory vs. Voluntary registration thresholds

- If the taxable person exceeds an annual mandatory registration threshold, it is obliged to register for VAT
- If the taxable person exceeds a voluntary registration threshold, it has the option to register for VAT
- A person who does not reside in the Sultanate but who makes supplies in the Sultanate must apply for VAT registration

OMR 19,250	Voluntary registration threshold
OMR 38,500	Mandatory registration threshold

For the purpose of registration, the value of supplies shall include the following:

1. Value of taxable supplies –except supplies of capital assets.
2. Value of the supplies of goods and services supplied to the taxable person and subject to the reverse charge mechanism.
3. Value of Intra GCC supplies of goods and services.

Note: This does not include exempt supplies.

4. What supplies will be taxable?

A *supply* can either be a supply of goods or services.

All goods and services bought or sold in, or imported into, the Sultanate are subject to VAT unless otherwise specified as exempt. It is anticipated that the *standard rate* of VAT will be 5% as per the GCC Treaty.

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Exempt goods and services are not subject to VAT. A supplier of exempt supplies does not collect or charge VAT on its sales and is not allowed to deduct the input VAT it pays on its purchases. As a result, businesses that only sell exempt supplies are not allowed to register for VAT even if their sales are above the mandatory threshold.

Zero-rated goods and services are taxable supplies, but are taxed at a 0% rate of VAT. This means that businesses that make zero-rated supplies can still deduct their input VAT and receive VAT refunds. This is the key difference compared to businesses that make exempt supplies - which generally cannot receive VAT refunds.

Imports are always taxable unless the supply is otherwise specified as exempt. Both VAT-registered and unregistered businesses are required to pay VAT on imports; guidance on how both registered and unregistered businesses are to pay the VAT will be provided in due course.

Some supplies are outside the scope of the Law and, therefore, not subject to VAT. Examples of these supplies are:

Made by a non-taxable person;

- Made outside Oman; or
- Not made in the course of economic activity.

4.1 Determining the place of supply

The place of supply (where VAT is ultimately levied) is the jurisdiction where the final consumption occurs; where the supply of goods or services is made. This may not necessarily be the country where the value is created.

A supply of goods or services made in Oman shall be within the scope of the Law and, therefore, will be subject to VAT. As mentioned, supplies made outside Oman are considered to be outside the scope of the Law.

There are separate rules for determining the place of supply for goods, and the place of supply for services. Although the rules are different for goods and services, they both have a basic rule; there are then a number of exceptions which try to ensure the VAT is charged on the consumption that occurs.

For goods, the place of supply is in Oman when the goods are physically located in Oman when the ownership of the goods is being transferred. Hence, for goods sold and delivered in Oman, the place of supply is in Oman. Similarly, goods in Oman that are exported, the place of supply is in Oman but the rate of VAT is 0%.

Services will be treated as supplies made in Oman if the supplier is resident in Oman. However, for certain types of services the place of supply may be determined differently to ensure the tax is applied where actual consumption takes place.

Additional place of supply rules will be provided in due course.

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5. VAT Deductions and Refunds

5.1 Input tax deductions

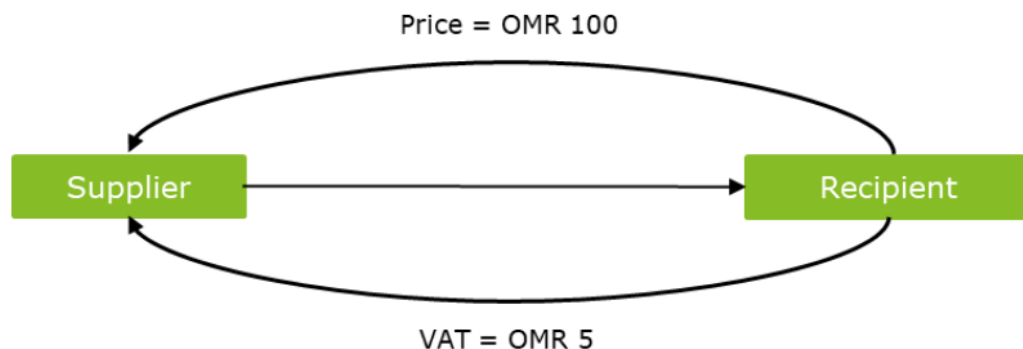
A person registered for VAT can deduct their input VAT, meaning VAT paid on goods or services purchased from registered suppliers, in the course of making taxable supplies (i.e., standard and zero-rated supplies). For businesses that make both taxable and exempt supplies, input VAT may be apportioned and claimed accordingly. Businesses may reclaim their input tax by deducting it from their output tax when completing a VAT return.

5.2 Output tax

The VAT return form is split into two distinct sections, the first of which deals with VAT on sales (output VAT) and the second of which deals with VAT on purchases (input VAT). Output tax, as mentioned above, is VAT charged and payable to the TA on any taxable supply, or anything that is considered a taxable supply (i.e., a *deemed supply*).

Figure 4: Output tax

- A business makes a supply of a good (or service) to a customer/recipient for OMR 100
- Output tax is generally due on goods and services (unless the supply is exempt, zero-rated or outside the scope of the Law)
- The supplier charges VAT of OMR 5 on the taxable supply (i.e., adds the VAT on-top of the price)
- The supplier accounts for the VAT by remitting it to TA



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Figure 5: Example of Output Tax/Input Tax Offset

	Value of goods	VAT charged on sale	VAT recoverable on purchases	VAT payable to SGT
Sold goods	150,000	7,500	-	7,500
Purchased goods	50,000	-	2,500	(2,500)
Net VAT to be remitted to TA				5,000

Generally speaking, if the VAT from a business' purchases exceeds the VAT from their sales in any one taxable period, the difference will be refunded by the TA

Example:

During a given tax period, a business (which is registered for VAT) purchases goods in the course of making taxable supplies, for OMR 50,000 plus VAT at 5% (OMR 2,500). The input VAT is OMR 2,500.

During the same period, the business sells goods for OMR 150,000 excluding VAT. The output VAT is OMR 7,500.

On the VAT return for that period, the business would deduct the input VAT paid, from the output VAT collected, which would result in OMR 5,000 to be reported, and remitted, to the TA.

5.3 Partial exemption

The concept of 'partial exemption' is important for businesses that sell a mix of taxable and exempt supplies. Instead of deducting all of the input tax it pays, the business must only deduct an apportioned amount. Further guidance on how businesses should calculate their ratio of taxable to exempt supplies will be provided in due course.

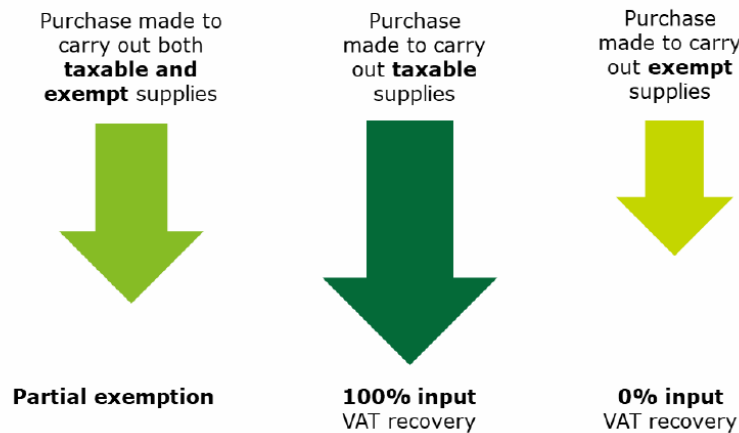
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Figure 6: Partial exemption

Input tax is generally restricted where VAT:

- Is incurred for a non-business or private purpose (e.g. employee vehicles);
- Relates to an exempt supply; or
- The taxable person does not hold a valid VAT invoice from its supplier and cannot yet include the VAT the return.



6. Filing a VAT Return

Each VAT-registered person, or the person authorised to act on their behalf, must file a VAT return with the TA at the end of each tax period. The VAT return is considered to be the taxable person's self-assessment of their tax due for that period; it summarizes the value of the supplies and purchases a registered person has made during a tax period, and shows the registered person's VAT liability.

Payment of net tax due for any given tax period must be made to the TA. Guidance with respect to how and when to make payments, filing VAT returns, and the frequency of VAT filings will be provided in due course.

7. Issuing Invoices

A tax invoice must be provided in all circumstances where a taxable supply is made. If a business' customer is VAT-registered, the tax invoice will allow the customer to support their reclaim of input tax for the VAT charged.

A full detailed tax invoice must show the amount of VAT due and the net value for each line item. If the conditions for a simplified tax invoice are met, then a simplified tax invoice can be issued instead. A simplified tax invoice is a simplified version of a tax invoice, in which fewer details are required to be noted, as compared to a full-detailed tax invoice.

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There is not a prescribed format or style of a tax invoice, but the Law and Regulations will stipulate the minimum information that must be included on an invoice.

Figure 7: Example of a detailed VAT invoice

Tax Invoice

Mohammed & Co.
P.O. Box XXXX
Ruwi, Sultanate of Oman
Muscat, 112 Oman
VATIN: OM110030214

Invoice Date: 01/11/2020

Invoice No: 12312

Date of Supply: 01/11/2020

Buyer: Noor Electronics
Al Jlan Street
Sohar, Sultanate of Oman

Description	Quantity	Unit price	Taxable Amount (OMR)	Tax Rate	Tax (OMR)	Total (OMR)
Laptops	1,000	1,000	10,000	5%	500	10,500
Monitors	500	500	5,000	5%	250	5,250

Subtotal (Excluding VAT): OMR 15,000

Total VAT (OMR): OMR 750

Total amount payable: OMR 15,750

Payment terms, notes, details:

Annotations:

- "Tax Invoice" shown
- Supplier name, address and VATIN
- Date invoice is issued
- Sequential invoice number
- Date supply is made
- Customer name and address
- Description and quantity of goods or services
- Taxable amount and unit price
- Tax rate
- Amount of VAT charged (in OMR)

Further guidance on the details that need to be included on a tax invoice and a simplified tax invoice will be issued in due course.

8. Record Keeping

All taxpayers are required by law to keep appropriate VAT records relating to their calculation of VAT for audit purposes. This includes any documents used to determine the VAT payable on a transaction and in a VAT return. Further guidance will be provided on examples of records that should be maintained and their retention periods.

Every VAT-registered business should keep a VAT account. A VAT account is the link (the audit trail) between a business' records and their VAT return. In addition, a VAT account will be useful in filling out the VAT return.

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A business can keep their VAT account in the way that suits their business, as long as it contains the information that shows the link between the output tax in a business' records and the output tax on their return. The VAT account must also show the link between the input tax in a business' records and the input tax on their return.

9. VAT Assessment

The TA may assess the amount of tax, including the penalty due and tax payable, from a taxable person who fails to file their return, or files an inaccurate return, for any taxable period. A notice of the assessment will be sent to the taxable person in writing.

Some Media VAT news links, which were being followed by me for the last 3 years.

<https://amp.thenational.ae/business/economy/oman-set-to-introduce-vat-early-next-year-1.967469>

<https://home.kpmg/us/en/home/insights/2020/07/tnf-oman-vat-expected-in-early-2021.html>

<https://www.khaleejtimes.com/business/economy/vat-effective-in-another-gulf-country-from-next-year->

https://www.consultancy-me.com/news/2918/ahmed-al-esry-succeeds-sherif-el-kilany-as-eyes-mena-tax-boss?utm_campaign=5ad74c398cf2c23697003e9a&utm_content=5f0590796a9cac0001c7183e&utm_medium=smapshare&utm_source=linkedin

<https://www.omanobserver.om/shura-discusses-omans-draft-vat-law/>

<https://timesofoman.com/article/3017013/oman/majlis-al-shura-panel-completes-deliberations-on-draft-vat-law>

<https://www.omanobserver.om/majlis-ash-shura-to-discuss-draft-laws-referred-by-government/>

<http://wafoman.com/2020/07/20/oman-shura-vat-should-be-conditional-to-at-least-3-gdp-growth/?lang=en>

<https://theworldnews.net/om-news/shura-discusses-oman-s-draft-vat-law>

<https://omannews.gov.om/NewsDescription/ArtMID/392/ArticleID/16457/Majis-A%E2%80%99Shura-Forwards-Draft-Laws-on-VAT-Income-Tax-to-State-Council>

<https://www.arabianbusiness.com/politics-economics/450045-introduction-of-vat-to-give-omans-economy-780m-boost>

<https://www.omanobserver.om/oman-workers-federation-issues-statement-on-value-added-tax/>

<https://www.omanobserver.om/omani-firms-advised-to-get-g geared-for-vat/>

<https://timesofoman.com/article/3018762/oman/majlis-discusses-joint-panels-report-on-value-added-tax>

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<https://timesofoman.com/article/3018715/oman/vat-implementation-to-boost-omans-revenues-by-omr400mn>

<https://timesofoman.com/article/3018692/oman/government/shura-council-to-discuss-vat-law-on-tuesday>

<http://www.shabiba.com/article/251024>

<https://www.atheer.om/archives/534320/%D9%85%D8%B4%D8%B1%D9%88%D8%B9-%D8%B6%D8%B1%D9%8A%D8%A8%D8%A9-%D8%A7%D9%84%D9%82%D9%8A%D9%85%D8%A9-%D8%A7%D9%84%D9%85%D8%B6%D8%A7%D9%81%D8%A9-%D9%8A%D9%8F%D8%B1%D9%81%D9%8E%D8%B9-%D9%84%D8%AC/>

<https://www.arabianbusiness.com/banking-finance/451523-oman-mulls-vat-move-after-january-2022-to-shore-up-finances>

<https://www.atheer.om/archives/535731/%D8%A8%D8%B9%D8%AF-12-%D9%8A%D9%88%D9%85%D9%8B%D8%A7-%D8%A8%D8%AF%D8%A1-%D8%AA%D8%B7%D8%A8%D9%8A%D9%82-%D8%B6%D8%B1%D9%8A%D8%A8%D8%A9-%D8%A7%D9%86%D8%AA%D9%82%D8%A7%D8%A6%D9%8A%D8%A9-%D9%81%D9%8A/>

<https://www.khaleejtimes.com/region/oman/oman-to-implement-5-per-cent-vat>

<https://www.khaleejtimes.com/region/oman/oman-to-implement-5-per-cent-vat>

<https://www.arabnews.com/node/1747736/middle-east>

<https://www.timesofoman.com/article/oman-to-implement-vat-law-after-six-months>

<https://www.latestly.com/agency-news/world-news-oman-to-impose-value-added-tax-amid-pandemic-fallout-2081813.html>

<https://timesofoman.com/article/covid-19-pandemic-likely-to-affect-vat-final-implementation-date>

<https://www.omanobserver.om/oman-to-introduce-5pc-vat/>

.....Thank You-Stay Tuned

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