



PENALTIES & PUNISHMENTS

VAT IN OMAN
APRIL 2021

VAT in Oman April 2021

KNOWLEDGE
SHARING SERIES

OFFICIAL GAZETTE ISSUE 1362 ROYAL DECREE NO. 121/2020 FOR THE ISSUANCE OF THE VALUE ADDED TAX LAW IN OMAN.

This document is prepared to bring ease and relevance to VAT general understanding. Cross reference with law is available to relate provisions. Also Graphs, charts, pictures used for better understanding of subject.

Please beware regulations to follow with VAT tax law around mid of December 2020 to describe procedures and protocols.

Every effort is carried to make this presentation effective for intended users. Please refer to information available on <https://tms.taxoman.gov.om/portal/web/taxportal/vat-tax> in all cases.

For more information please contact us or visit website WWW.THINKBIZ360.COM to download all presentations on vat and other subjects.

INTRODUCTION

A value-added tax (VAT) is a tax placed on a product whenever value is added at each stage of the supply chain, from production to the point of sale. Familiarity with VAT is important as it is currently undergoing implementation in Oman.

The Oman VAT law reflects the principles set out in Common VAT Agreement of the states of the GCC and the procedures specified in the income tax law.

The VAT Law Issued in October 2020 and additional subordinate rules and regulations to follow before mid December 2020.

VAT Law contains Total 106 articles and 13 Chapters.



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PUNISHMENTS

Article 99 - 103

This section explains PENALTIES for misleading, forged, deliberate, non compliance etc. to the VAT law. Penalties include both in terms of Fine (OMR) and Imprisonment.

Article 100. Imprisonment (2 Months to 1 Year) OR Fine (1,000 to 10,000) OMR OR Both. In case of repetition of Offense Fine X 2 and Imprisonment x 1.5

Who	What (Deliberately, Intentionally) Failing
Taxable Person	Appointing Responsible Person
Responsible Person	Within 90 days appoint another Responsible Person as replacement
Taxable Person	Notify changes in Registration information – Article 65
Responsible Person	Appear before authority when required
Responsible Person	Tax Return for any period
Taxable Person	Regular records and accounting books in accordance to VAT law
Taxable Person	Maintaining record of Tax Invoices and documents
	Issuing Tax Invoice at all
	Issuing wrong Tax Invoice
	Not following the provisions of VAT Law

PUNISHMENTS

Article 99 - 103

This section explains PENALTIES for misleading, forged, deliberate, non compliance etc. to the VAT law. Penalties include both in terms of Fine (OMR) and Imprisonment. **Contd.**

Article 100. Imprisonment (2 Months to 1 Year) OR Fine (1,000 to 10,000) OMR OR Both. In case of repetition of Offense Fine X 2 and Imprisonment x 1.5	
Who	What (Deliberately, Intentionally) Failing
	Refuse to submit any record or document required by authority
	Issuing wrong / inaccurate data or information in refund application
Article 101. Imprisonment (1 Year to 3 Year) OR Fine (5,000 to 20,000) OMR OR Both. In case of repetition of Offense Fine X 2 and Imprisonment x 1.5	
Who	What (Deliberately, Intentionally) Failing
	Not registering with Authority
	Correct data, taxable amount and tax due
	Evading Tax payment in part or full
	Destroy, conceal record / information within 1 year of receipt of notice
	Submitting incorrect information and record

PUNISHMENTS

Article 102. No public prosecution without prior approval of head. The Head may agree to increase the penalty not less double the minimum and not more than double of max penalty. The settlement result in lapsing the public prosecution.

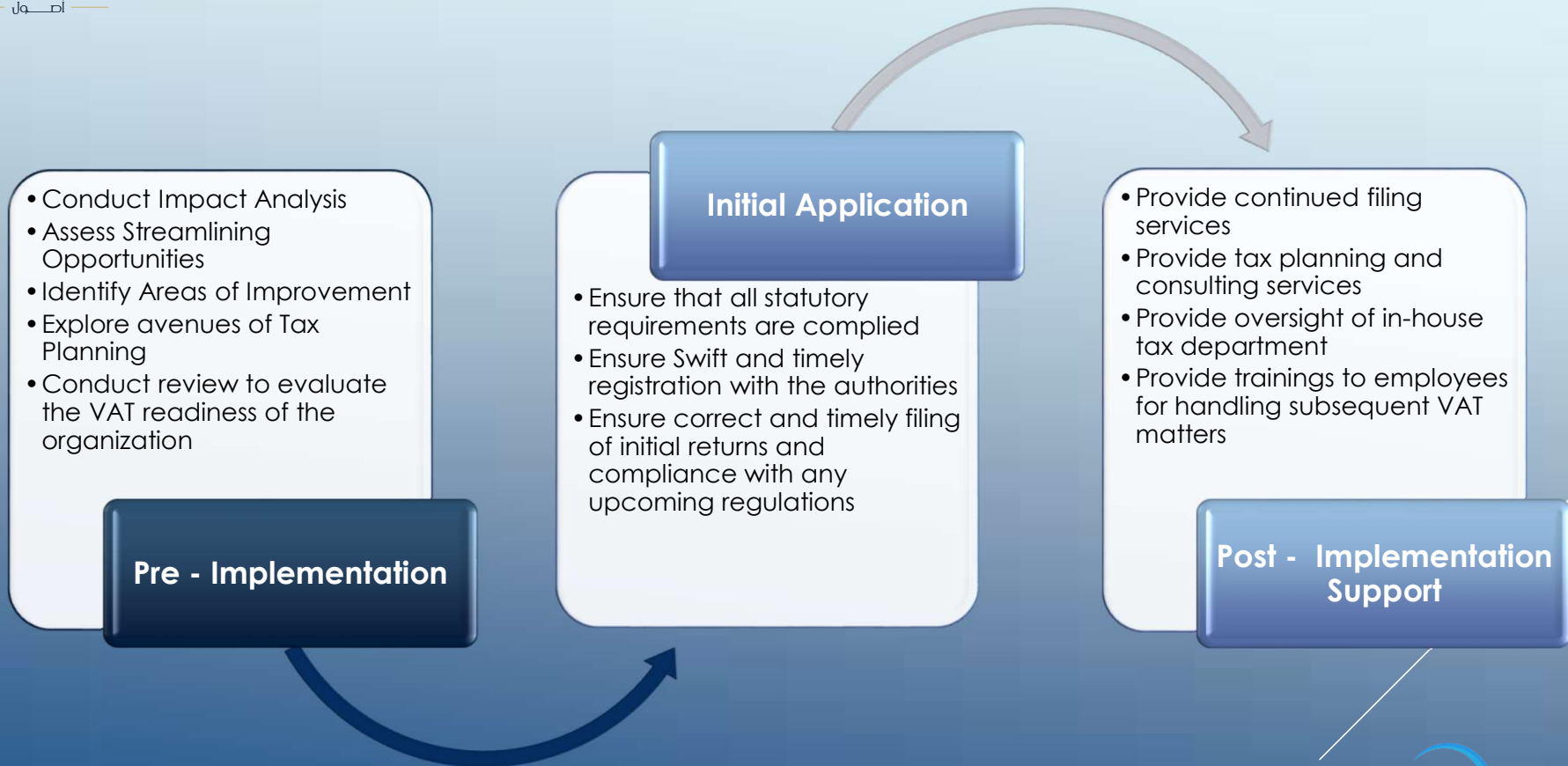
Article 103. Regulations to follow on appeal, procedures and administrative fines.

AT YOUR SERVICE

We help our clients in preparing for the application of the new VAT by:

- ▶ **Performing an impact analysis, to evaluate the tentative effect of the new statute's implementation on the business**
- ▶ **Mapping business transactions to identify the stage of application of the tax, the dates when the tax will become due and relevant return filing deadlines**
- ▶ **Assisting the client in adapting the changes required to be VAT compliant**
- ▶ **Conducting a review exercise to assess the compliance readiness of the organization**
- ▶ **Assisting in initial return filing and subsequent training of employees to efficiently comply with the requirements**
- ▶ **Assessing cash flow pattern and additional cash required after VAT impact**

HOW WE CAN HELP





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