



# TAX DUE PLACE OF SUPPLY

VAT IN OMAN  
APRIL 2021

## 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](http://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.



# Tax Due (Place of Supply)

## Article 21 to 25

Supply of

Goods  
Place of Supply  
is Oman

Gas, Oil, Water  
or Electricity  
(Through wires  
or pipelines)

Services

Import of  
Goods

At customer  
disposal  
(without  
transportation)

In case of Taxable  
Trader,  
  
The place of  
Residence of  
Taxable Trader

**Place of Supply is  
Oman**  
•if the **Taxable  
Supplier** has a place of  
Residence in Oman, &  
•the Customer is **NOT**  
Taxable person or  
Registered in any of  
GCC state

The Place of  
Customer  
Goods

Goods are in  
Oman when the  
transportation  
starts

Other than taxable  
trader than Actual  
Place of  
Consumption

Otherwise Place of  
supply is Customers  
Place of Residence

- First port of entry for the goods is Oman
- Imported goods placed under customs suspension and the goods released from such suspension.

## **Tax Due (Place of Supply)**

### **Article 21 to 25**

#### **Special Cases Attached to Services The Place of Service**

<b>Transportation of Goods / Passengers</b>	The Place Where transportation begins
<b>Services related to Real Estate</b>	The Place where real estate is located
<b>Leasing of Means of Transport from Taxable Supplier to Non Taxable Customer</b>	The Place where the means of transport is placed at customer disposal
<b>Wired, Wireless telecommunication services and electronically supplied</b>	The Place of actual use or benefit
<b>Restaurants, Hotel Services, F&amp;B, Cultural, Artistic, Sport etc. to a NON Taxable Customer</b>	The place of actual performance

## 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

**VAT**



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