



Oman introduces guidelines on VAT registration

With just over 3 months left until Oman implements VAT, the Oman Tax Authorities have released guidelines outlining the criteria and time period to register for VAT in the Sultanate.

To establish whether a person is mandatorily obliged to register the following supplies must exceed the mandatory threshold of OMR 38,500:

- **Supplies subject to VAT i.e. Standard-Rated and Zero-Rated supplies**
- **Import subject to the reverse charge mechanism.**



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Following in the steps of Bahrain and KSA, Oman will be implementing VAT registration in **four** phases based on the value of supplies made by a person. The registration period and date based on the amount of supplies made are summarized in the below table:

Phase	Category	Registration Period	Registration date
1	For a person whose total value of supplies exceeds or is expected to exceed one million (1,000,000) Omani Rials	From 1 February 2021 to 15 March 2021	16 th April 2021
2	For a person whose total value of supplies ranges between (500,000) Omani Rials and (1,000,000) Omani Rials	From 1 April 2021 to 31 May 2021	1 July 2021
3	For a person whose total value of supplies ranges between (250,000) Omani Rials and (499,999) Omani Rials	From 1 July 2021 to 31 August 2021	1 October 2021
4	For a person whose total value of supplies ranges between (38,500) Omani Rials and (239,999) Omani Rials	From 1 December 2021 to 28 February 2022	1 April 2022

Supplies needs to be calculated on an actual or expected basis:

- ✓ Actual supplies subject to VAT are calculated based on the total value of supplies that were made during the 12- month period starting from 1 November 2019 to 31 October 2020. The supplies must be calculated based on the 12- month period that ends at the end of any month.
- ✓ The expected annual supplies subject to VAT are calculated based on the total value of the supplies that are expected to be realized during a 12- month period which starts from 1 October 2020 to 30 September 2021.

Important Notes

- Executive Regulations should provide certainty on the query that whether a person can voluntarily opt to register from 16th April 2021, even if the total turnover value does not exceed one million.
- Non-residents do not have a registration threshold i.e. a non-resident earning any kind of taxable income in the Sultanate is compulsory required to register regardless of the amount earned.



Contact us to discuss how we can help you with the implementation of VAT in Oman



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