



Updates to Oman Income Tax Law

22 September 2020

Royal Decree No. 118/2020 published in the Official Gazette on 20 September 2020 updated Oman Income Tax Law with following key changes.

Noteworthy amendments to existing provisions of Oman Income Tax Law:

- Erstwhile annual tax compliance which involved filing of Provisional Return of Income (PRI) within three (3) months from the end of the financial year and Final Return of Income (FRI) within six (6) months from the end of the financial year has been merged into Return of Income (RI) which shall now be due within four (4) months from the end of the financial year along with making the applicable tax payment (**applicable for tax year commencing on 1 January 2020**). PRI/FRI related articles of Oman Income Tax Law have been updated to reflect RI related changes. **Taxpayers will now have to complete audit of Financial Statements well within time to meet the revised RI due date.**
- In line with the new Commercial Companies Law, Oman Income Tax Law has been updated to include Sole Proprietor / One Person Company as well.

Noteworthy additions to the provisions of Oman Income Tax Law:

- Concept of Tax Residency is introduced which will provide further guidance on application of the Double Taxation Avoidance Agreements (DTAA) and similar.
- To enforce international tax agreements, Oman Tax Authority has been authorised to collect requisite information from licensed banks in relation to any person.

Other updates:

As Oman Tax Authority is now an independent body (from that of Ministry of Finance) represented by its Chairman reporting directly to Council of Ministers, various expressions used in Oman Tax Law have been updated.

Contact us

Bipin Kapur
Managing Partner
Bipin.Kapur@bdo.com.om

Manvinder Singh
Audit Partner
Manvinder.Singh@bdo.com.om

Ashish Athavale
Tax Partner
Ashish.Athavale@bdo.com.om