OMAN

LEGAL & TAX FRAMEWORK FOR INVESTMENT — SEPTEMBER 2026 EDITION

Oman stands apart from the rest of the Gulf on two fronts. First, a trajectory **running against the grain**: while Qatar, Kuwait and Saudi Arabia see 2026 growth revised downward after the Strait of Hormuz closure, Oman's is revised **upward** by the IMF, and public debt keeps falling. Second, a genuine tax break: Oman becomes, through an **already enacted** text, the **first Gulf State to introduce a personal income tax**, effective 2028. Three points shape any establishment: the **tax regime**, still moderate at corporate level; the **opening of share capital**, wide but bounded by a 123-activity negative list; and a **two-tier architecture** — IFCO, a common law court system, and OAC, an arbitration centre, never to be confused.

POPULATION
≈ 5.49 M
World Bank, 2025

CURRENCY
RIAL · OMR
pegged to the dollar at 2.6008

GDP 2025
≈ USD 109.6 BN
World Bank

GROWTH 2025
+ 2.4%
up from + 1.6% in 2024

GROWTH 2026
≈ + 3.7%
IMF — revised upward

INFLATION
≈ 2.8%
Jan–May 2026

PUBLIC DEBT
34.7% OF GDP
end 2025, declining

HYDROCARBONS
≈ 71%
of budget revenue

THE ONLY GULF STATE WITH NO 2026 MACRO SHOCK

The 2026 budget assumes a 1.3% of GDP deficit on a conservative USD 60/barrel assumption; the IMF, based on actual prices, anticipates a surplus. Q1 2026 execution, near balance, confirms a better than planned trajectory without guaranteeing the announced surplus. Hydrocarbons account for around **30%** of GDP, not the 50% sometimes cited (a figure inherited from 2010-2013).

A NATIONAL LAW, WITH NO UNIFORM REGIONAL LEGAL SPACE

No OHADA, and no equivalent. Company law: **Commercial Companies Law**, Royal Decree No. 18/2019; foreign investment: Royal Decree No. 50/2019; taxation: the 2009 Income Tax Law. **Zones regime overhauled in 2025**: Royal Decree No. 38/2025 (in force 14/04/2025) repeals earlier texts and sets a unified framework — CIT exemption of **10 years, renewable twice** (conditional 30-year cap), 100% foreign ownership, VAT not applicable in zone. ⚠️ Per-zone periods in pre-2025 guides are outdated. **Real estate**: prohibition in principle for non-Omanis, except Integrated Tourism Complexes — the 2025 decree also opens it in special economic zones.

IFCO AND OAC: A COMMON LAW COURT SYSTEM, AND AN ARBITRATION CENTRE

	IFCO — INTERNATIONAL FINANCIAL CENTRE OF OMAN	OAC — OMAN COMMERCIAL ARBITRATION CENTRE
Nature	Financial hub with a **complete common law court system**	Arbitration and mediation institution, attached to the Chamber of Commerce
Legal basis	Royal Decree No. 8/2026, in force **13/01/2026**	Royal Decree No. 26/2018; rules in force since 06/12/2020
Courts	**1st instance, court of appeal** (final decisions) and a **dispute resolution tribunal**	No court of its own — administers consensual proceedings
Language / law	**Common law entirely in English**, legislative autonomy	Omani law, rules closely modelled on UNCITRAL
Incentives	Preferential tax regime up to **50 years**	Not applicable

New York Convention: acceded 25/02/1999, in force 26/05/1999, ***with no reservation*** *— neither reciprocity nor commerciality, a notable difference from Saudi Arabia, Bahrain and Kuwait.*

CORPORATE FORMS AND USUAL STRUCTURING

FORM	REGIME	TYPICAL USE
LLC	**No statutory minimum capital** — capital "sufficient" for ≈ 12 months of working capital. 2 shareholders minimum.	The most common form
SPC	Same characteristics, single shareholder.	Wholly owned subsidiary, project vehicle
SAOC — closed JSC	Minimum capital of **OMR 500,000**, 3 shareholders minimum.	Larger projects, joint ventures
SAOG — public JSC	Minimum capital of **OMR 2,000,000** (incorporation from scratch).	Fundraising, listing
Branch	Wholly owned by the parent, no separate legal personality.	Performance of a contract, presence without a subsidiary

TAX REGIME — THE ESSENTIALS

TAX	RATE	DETAIL
Corporate income tax	15%	Standard rate, Royal Decree No. 28/2009.
SME regime	3%	Capital ≤ OMR 60,000, revenue ≤ OMR 150,000, ≤ 25 employees. Excludes air/maritime transport, extraction, banking, insurance.
Petroleum sector	55%	Set case by case under each EPSA.
Personal income tax	🔑 5%	On the share > **OMR 42,000/year**. RD 56/2025 — **enacted**, effective **1/1/2028**. Residents (Omani + expatriates) on **worldwide** income. **First GCC state.** ≈ 99% of population unaffected.
VAT	5%	Since 16/04/2021. Intermediate position: Qatar 0%, Oman/UAE 5%, Bahrain 10%, Saudi Arabia 15%.
WHT — dividends/interest	0%	Suspended by royal directive of 11/01/2023.
WHT — royalties/services	10%	Whether the service is rendered in Oman or abroad.
Global minimum tax	🔑 SCOPE TO CONFIRM	RD 70/2024, fiscal years from 1/1/2025, groups ≥ EUR 750 m. Sources diverge on a genuine DMTT — the IIR is transposed.
Stamp duty	NONE	Not applicable in Oman.
Social insurance — Omanis	22.5%	8% employee + 14.5% employer. No contribution for non-Omanis.
Customs duties	5% CIF	Goods from outside the GCC.

Tax sources: PwC Worldwide Tax Summaries — Oman; Oman Tax Authority; EY; KPMG.

FOREIGN INVESTMENT AND FOREIGN EXCHANGE

The principle. RD 50/2019: **100%** foreign ownership possible in the large majority of activities, including outside zones. **Widened negative list**: DM 435/2024 (+28 activities) brings the total to **123 activities** reserved to nationals — check case by case with MOCIIP (Invest Easy). **Omanisation**: sourced quotas 60% (banking/finance), 20% (retail); compliance conditioning public procurement access from 31/05/2026 — yet actual rate < 14% in the private sector, a considerable gap. **Residency by investment**: 10 years (≥ OMR 500,000), 5 years (≥ OMR 250,000).
FX — a rial pegged since 1986. Parity **USD 2.6008 = OMR 1**, unchanged since 1986 (primary CBO source). Rial **fully convertible**, **no restriction** on capital repatriation.

SECURING THE INVESTMENT — THREE UNDERESTIMATED POINTS

1. The 2028 tax targets residents' worldwide income, not just their Omani income. An expatriate becoming a tax resident (presence > 183 days) will see worldwide income enter the tax base beyond OMR 42,000/year from 2028 — a change in kind, not degree, for structuring international remuneration.
2. The zones regime changed in 2025 — old periods no longer apply. RD 38/2025 imposes 10 years renewable twice (30-year cap): documentation predating 2025 citing other periods relies on a repealed regime.
3. The exact scope of the global minimum tax remains to be checked case by case. Sources diverge on a genuine DMTT — to be settled through the group's tax structure, not by generalising.

IFCO OR OAC: THE CHOICE DEPENDS ON THE DISPUTE SOUGHT

A structured financing deal or a securities issuance finds in **IFCO** a framework unprecedented in the Gulf: common law in English, courts of its own from first instance to appeal. An ordinary commercial contract falls under general Omani law, with **OAC** as an arbitration option. A favourable point worth knowing: unlike Saudi Arabia, no reliable source to date documents a principle of unenforceability of interest in Oman — do not transpose Saudi practice by analogy, absent identified case law.

OUR SUPPORT IN OMAN

UGGC Africa supports you in Oman through its pan-African platform. Anticipating the 2028 income tax, choosing between the zones regime and general law, orienting between IFCO and OAC depending on the nature of the dispute. Contact: **africa@uggc.com** — uggcafrica.com

Disclaimer. This factsheet is provided for general information purposes, as at September 2026; it does not constitute legal or tax advice and cannot bind UGGC Africa. Rates, zone regimes and foreign ownership rules change rapidly in the Gulf — any investment decision calls for a tailored analysis. **Sources:** Central Bank of Oman, Oman Tax Authority, PwC Worldwide Tax Summaries, UNCITRAL, Oman Ministry of Finance, International Monetary Fund, World Bank.