

Tax administration, filing, payment, assessments, appeals

- ▶ Mandatory tax registration and obligation to amend information
- ▶ Notice is deemed to be served 15 days from date of letter
- ▶ No major changes in method of accounting, books of accounts, foreign currency, accounting period etc.,
- ▶ Filings and deadlines remain the same
- ▶ Certain categories of tax payers will be exempt from tax registration or tax filings or submission of audited accounts
- ▶ Delay fines remain the same (1% per month of tax due for the period of delay)
- ▶ Filing/payment deadlines extended to next working day if they fall on a public holiday
- ▶ 5 year time limit for issue of assessments remains
- ▶ Absolute limitation of 10 years has been introduced where no returns are filed
- ▶ An assessment is to be made for withholding tax as well
- ▶ A rectification assessment may be made for obvious errors within 5 years from the original assessment
- ▶ Appellate processes remain largely unchanged
- ▶ Undisputed tax to be paid before objection
- ▶ Time limit for objection decision has been increased from 3 months to 5 months (Extension has been increased from 3 to 5 months)
- ▶ Tax authority may approach the tax committee for incorrect applications of law (previously not available) within 2 months
- ▶ Omani agents may be considered as principal officers (with all obligations) if the foreign principal carries on business through an agent
- ▶ In certain cases, the principal officer shall not be absent from Oman for more than 90 days

Tax losses:

- ▶ These provisions remain the same - few clarifications have been made

Tax exemptions:

- ▶ Public utility projects are no longer eligible for tax exemptions
- ▶ Educational institutions and private hospitals no longer enjoy indefinite tax exemption. This will be limited to a maximum of 10 years
- ▶ All other provisions remain almost the same

Avoidance of Double taxation:

- ▶ Overseas income is taxable in Oman, with a corresponding tax credit
- ▶ Tax credit method is introduced
- ▶ Limitation on allowance of tax credit to 12%
- ▶ Tax credit can be requested within 2 years of foreign tax payment

Anti avoidance legislation:

- ▶ Transactions between related parties are to be scrutinized
- ▶ Comparable transaction with an independent person has been introduced as a bench mark
- ▶ Transactions designed to avoid taxes (even with unrelated parties) to be adjusted
- ▶ If an adjustment has been made for a party under the anti avoidance regulation, the other party can request a corresponding adjustment in its assessment within one year

General

- ▶ Executive regulations are to be issued on a number of matters and several forms are to be prescribed

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