



Oman Tax & Audit Updates



Implementation of Pillar Two – Global Minimum Tax

Aligning with OECD/G20 initiatives, Oman has introduced a 15% domestic minimum tax effective January 1, 2025. This tax applies to multinational enterprises (MNEs) with global revenues exceeding EUR 750 million, ensuring they pay a minimum tax rate on profits, particularly targeting low-taxed foreign subsidiaries.

Tax Treaty Network Enhancements

Oman has expanded its tax treaty network to prevent double taxation and curb tax evasion:

- Signed Double Taxation Avoidance Agreements (DTAAs) with Cyprus and Tanzania in December 2024, ratified in March 2025.
- Amended the existing tax treaty with India, with the protocol ratified in April 2025.

These treaties are set to become effective from January 1, 2026, upon mutual ratification.

Tax Authority Reorganization and Compliance Emphasis

The Oman Tax Authority (OTA) is undergoing internal restructuring to enhance efficiency:

- Establishing separate committees for tax objections to ensure independent assessments.
- Mandating prior appointments for in-person meetings with tax officials.
- Conducting assessments on companies that failed to file tax returns for the 2019 tax year, urging timely compliance to avoid penalties.



April 2025

VAT Filing and Audit Preparedness

Businesses are advised to ensure accurate VAT filings to prevent audits. Common triggers for VAT audits include:

- Delayed or missed VAT filings
- Large VAT refund claims
- Discrepancies between reported income and expenses

To prepare for potential audits, companies should maintain comprehensive records, including:

- VAT returns and tax filings for the past five years
- Financial statements and bank records
- Sales and purchase invoices
- General ledgers and trial balances

"Reach out and let's connect!"



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