

Oman VAT Registration Requirements

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OVERVIEW

Value-Added Tax or VAT is a tax on the consumption or use of goods and services levied at each stage of supply chain. VAT is a form of indirect tax and is used in more than 160 countries around the world.

VAT is charged at each step of the 'supply chain'. End consumers generally bear the VAT cost while registered businesses collect and account for the tax, in a way acting as a tax collector on behalf of the Tax Authority.

Only VAT registered businesses will need to charge and account for VAT

REGISTRATION GUIDELINES ISSUED BY OMAN TAX AUTHORITY ("OTA")

Registration for VAT purposes has been divided as below:

MANDATORY REGISTRATION

Phase	Taxable Turnover (OMR)	Mandatory registration timelines	VAT effective date
Phase 1	Above 1 million	1-Feb-2021 to 15-Mar-2021	16 April 2021
Phase 2	From 500,000 upto 1 million	1-Apr-2021 to 31-May-2021	01 July 2021
Phase 3	From 250,000 and upto 499,999	1-Jul-2021 to 31-Aug-2021	1 Oct 2021
Phase 4	From 38,500 to 249,999	1-Dec-2021 to 28-Feb-2022	1 Apr 2022
Other	Non-residents	Doing business in Oman are required to register regardless of the value of Supplies	

VOLUNTARY REGISTRATION

It is available for businesses making minimum annual taxable turnover or expenses over OMR 19,250. However, the moment taxable turnover hits the above Mandatory Threshold at different phases, they have to Mandatory register.



WHAT IS A TAXABLE TURNOVER?

Taxable turnover for registration purposes includes the following:

a) **Supplies subject to 5% VAT excluding capital assets supplies**

Standard rated supplies will cover most of good and services except those mentioned as zero-rated or exempted supplies in law

b) **Supplies subject to 0% VAT (includes below):**

Type	Supply
Basic needs	Basic food items as per decision
Rescue Planes and boats	Supply of rescue planes, and rescue and assistance boats
Health	Medicine and medical equipment
Oil and Gas	Supply of oil, oil derivatives and natural gas
Transport	International Transportation Supply of land, sea and air means of transport designated for the transportation of passengers and Goods for commercial purposes
Commodities	Investment gold, silver and platinum
International Trade	Export of goods and services Supply to or within a customs duty suspension regime Re-exporting of Goods that have been temporarily imported

c) **Value of Intra-GCC supplies of goods and services**

d) **All import of goods and services where Omani taxpayer is obliged to self-account for VAT (reverse charge mechanism).**

WHEN TO APPLY FOR MANDATORY VAT REGISTRATION?

- As per timelines mentioned on page 1

HOW TO DETERMINE MANDATORY VAT REGISTRATION VALUE?

- Taxable turnover of last 12 months (this include current and previous 11 months)
(or)
- Taxable turnover of next 12 months (this include current and next 11 months)

For more information on VAT registration or any of your inquiries on VAT implementation in Oman, please contact us at info-oman@premier-brains.com