



Oman - Islamic law (Sharia)

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☎ Consultation

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Incorporating a company in Oman

Oman taxes

If you want to do business in Oman, reading this will help you becoming knowledgeable on the specific tax laws and rates for a LLC (OOD) which is the most common legal entity in Oman.

The country taxes income earned outside the borders in the same way than if it were earned inside the country. The predominant rate for income remitted back, from our research, and these things do change, is 15%. Oman may not have exemptions to remit profits accrued abroad. Taxes are reasonable in Oman because the income corporate tax rate is 15%. This ranks Oman as 47th overall in terms of corporate tax rate worldwide.

The value added tax (VAT) rate in Oman is 5.00%, which ranks Oman as 27th overall with regards to value added tax rate worldwide. In terms of other taxation, an employer will contribute 11.50% to the equivalent of a social security fund and an employee will contribute 7.00%. The overall complexity of the tax system is low. This is measured by average time to comply with a country's labor tax requirements is as it is 12hours. Contributing to this is the number of yearly labor tax payments, which is 11 in OM.

Thin capitalisation rules are officially enacted. Thin capitalisation refers to any type of requirements on a business and the debt-to-asset ratios. Dividends from resident companies are not taxable. Dividends received from foreign companies are included in corporate income tax base. A dividend is a payment of earnings of the legal entity, determined by the board, to a particular class of shareholders. Dividends can be one of the following shares of stock, cash payments, or other property. Capital Gains are usually subject to corporate income tax, except those from the sales of securities listed on the Muscat Securities Market, which are exempt. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 10%. This means that the relevant tax authorities expects LLC (OOD)'s to pay tax on 10% of interests paid to non-residents. The dividends withholding tax rate is 10%. Which means that the taxman expects legal entities to pay tax on 10% of dividend payments remitted abroad. The royalties withholding tax rate is 10%. This should be interpreted that usually the taxman expects legal entities to pay tax on 10% of royalty payments abroad. There is no known tax on wealth in Oman. There are no inheritance, transfer and real property taxes in Oman. There are not many popular and well known credits for innovation spend that include breaks on taxation in OM.

The above is not tax or legal advice for your company tax obligations. We can to point you to an accountant in Oman who can properly advise you. Ready to get started? Click incorporate now if you are in a hurry, or press the free consultation button above.

The vat rate in Oman is 5% which ranks 26 in the world.

- ✗ Patent box
- ✗ RND credit
- ✗ Wealth tax
- ✗ Estate tax
- ✗ Transfer taxes
- ✗ Asset taxes
- ✗ Capital duties

- 23 Tax treaties
- 15% Offshore Tax
- 15% Corp rate
- Loss carryback years
- 56 Corporate time
- 5% VAT rate
- 15% Capital gains
- No AEOI planned

Oman Legalese

When examining a jurisdiction in which to incorporate, the first thing to look at is the legal code. The underlying law in Oman is Islamic law (sharia) law. You will want to get some local advice as to how to best structure a company in Oman. One is permitted to electronically sign documents.

The abbreviation OM is for Oman and the most common company structure in Oman is a LLC.

When setting up, budget about 5 Weeks to put together the paperwork and file a LLC in OM. The types of currencies you can use to fund your company is often any legal currency.

Yes, one is allowed to re-domicile a LLC from OM. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least This means it is not possible for you to own a LLC in Oman as a sole shareholder. You must have other shareholders, they can be nominees or de facto shareholders. Corporate Shareholders are permitted, which means you can have a legal entity as a shareholder. Foreign ownership is tolerated, up to 49% of the ownership of the LLC.

A company is only required to have one director. Furthermore, corporate directors are permitted. Directors are disclosed publicly. There is a requirement to have annual meetings of shareholders.

A registered agent is normally required, which means the company will have to pay a fee on a yearly basis, for a professional firm which can receive a service of process on behalf of the business. A related requirement, a company secretary is a requirement.

There is a requirement to file accounts to relevant authorities. On that note, there is oftentimes a requirement to have these accounts audited.

Overall we think Oman is a good option and have given it a score of 67 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ✗ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✓ **Corporate director permitted**
- ✓ **Local Secretary not required**
- ✗ **Local Director not required**
- ✓ **Electronic signature**

- 2 Shareholders required**
- 1 Directors required**
- 5 Weeks to form**

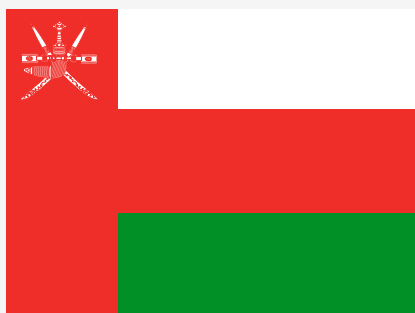
 **OMAN**

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Country Info



🚩 National Flag of

سلطنة عمان (ara)

\$ Currency

OMR

☎ Area Code

+968

🏰 Capital

Muscat

📍 Region

Western Asia

🗣 Native Languages

Arabic