

VAT alert | VAT registration in the Sultanate of Oman

Kingdom of Bahrain | 7 January 2021



Omani VAT at a glance:

Implementation date:	Registration thresholds	
	Mandatory	Voluntary
16 April 2021	OMR38,500	OMR19,250

Staggered registration process

Oman will implement a staggered VAT registration process – with large taxpayers registering first:

Annual supplies ≥ OMR1m

Registration opens	1 February 2021
Registration closes	15 March 2021
VAT registration date	16 April 2021

Annual supplies OMR500k-OMR999,999

Registration opens	1 April 2021
Registration closes	31 May 2021
VAT registration date	1 July 2021

Annual supplies OMR250k-OMR499,999

Registration opens	1 July 2021
Registration closes	31 August 2021
VAT registration date	1 October 2021

Annual supplies OMR38,500-OMR249,999

Registration opens	1 December 2021
Registration closes	28 February 2022
VAT registration date	1 April 2022

What counts towards the threshold?

- Taxable supplies, excluding supplies of capital assets
- Goods and services bought from overseas suppliers that taxable persons are required to account for VAT for under the reverse charge mechanism
- Intra-GCC supplies of goods and services

How do I determine if my business has to register for VAT - and when?

The mandatory registration threshold of OMR38,500 of annual supplies may be exceeded:

- **Retrospectively:** supplies made over the last 12 months
- **Prospectively:** supplies expected to be made over the next 12 months

If the threshold is exceeded, your business needs to be registered for VAT - with the amount of your business' annual supplies determining your registration period.

Taxpayers calculating their annual supplies before the law comes into effect should calculate based on 1 November 2019 to 31 October 2020 (retrospective) or 1 October 2020 to 30 September 2021 (prospective).

Voluntary VAT registration

Oman resident taxpayers may register voluntarily from 1 February 2021, providing their annual revenue, or expenses, exceeds OMR19,250.

Non-residents

Non-residents must register for Omani VAT on the date of their first sale made in Oman for which they are required to account for VAT. If a customer is accounting for VAT on a supply using the reverse charge mechanism, there is no requirement to register for VAT.

Disclaimer: This information in this document is based on an unofficial translation of two VAT guides issued by the Sultanate of Oman Tax Authority and our understanding of GCC VAT legislation. It is provided for information purposes only. Any omissions or errors are inadvertent. This document should not be relied upon in making any decisions. Seek professional advice from a tax advisor before making any decisions relating to your particular circumstances.

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