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01

Introduction

One of the most economically vibrant countries in the Gulf, Oman has a dynamic pro-business environment, and with exemplary strong leadership from His Majesty Sultan Haitham bin Tarik, our robust and diversifying economy is guided by Oman Vision 2040 - our blueprint for sustainable growth and success.

Stable and tranquil, Oman is an exceptional destination for investment with an outstanding competitive offer – infrastructure ranked as amongst the best regionally, a highly skilled multi-lingual talent pool, an abundance of natural resources, first-class manufacturing and business properties, quality of life that is second to none and, of course, an enviable strategic location with seamless regional connectivity.

Here at the Ministry of Commerce, Industry & Investment Promotion we are dedicated to helping businesses make the most of the wealth of opportunities Oman presents. From start-ups and SMEs to multinationals, the Ministry offers an extensive portfolio of support services and expert assistance. Whether you are looking to set up in Oman, find a local partner, ramp-up your company's exports or develop your enterprise in any way – our team is here to help ensure you get maximum value from being part of our growing and ambitious economy.

Qais bin Mohammed Al Yousef
Minister
Ministry of Commerce, Industry & Investment Promotion

02

Incentives Guide



100% foreign ownership

One-Stop shop for all relevant clearance

Low capital requirements

Relaxed level of Omanization

Exemption from corporate income taxes up to 25 years

No personal income tax

Free Trade Agreements with US and Singapore

No import or re-export duties

Sohar Free Zones

SOHAR
PORT / FREEZONE

02

Incentive Guide



100% Foreign Ownership

Flexible customs procedures

One-Stop shop services

Exemption from customs duties on imports and exports

Exemption from minimum capital investment requirement

Exemption from taxes on profits or dividends for 30 years

**Free Trade
Agreements with
US and Singapore**

Exemption from tax on personal income

Flexible Omanization rate up to 20%

No restrictions on repatriation of capital, profits and investments

Best located port in the Middle East with world-class infrastructure

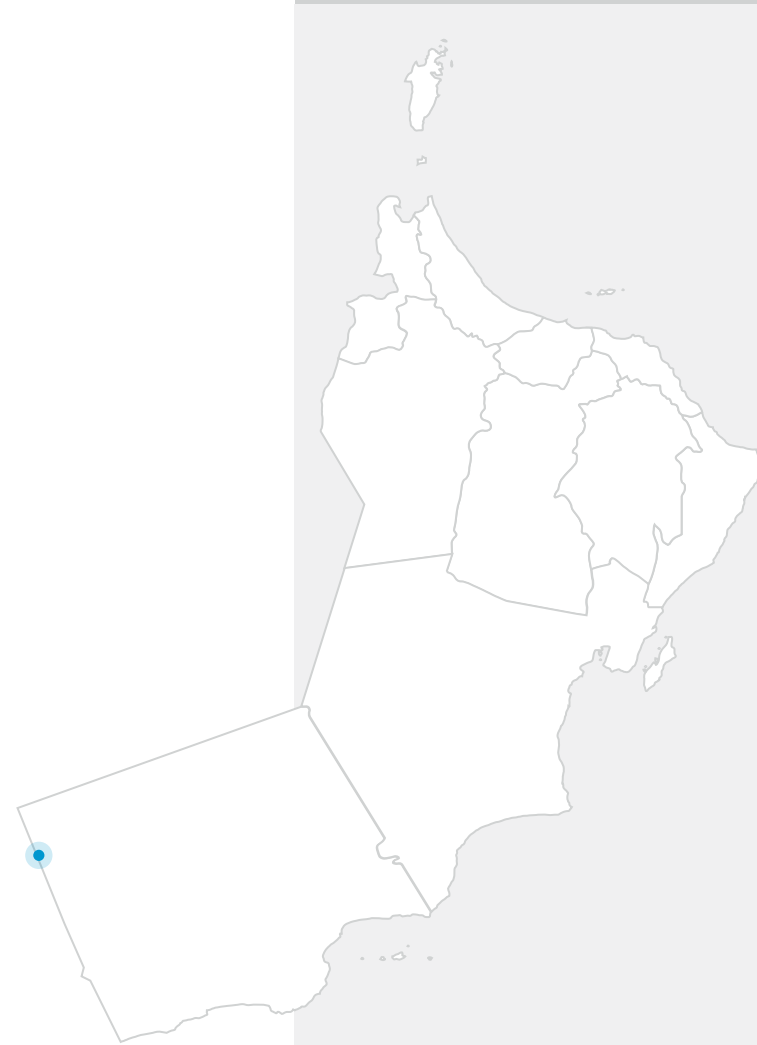
Salalah Free Zones

المنطقة الحرة بطلالة
Salalah Free Zone
The world within your hands



02

Incentive Guide



100% ownership of the invested project's capital

20% of Omanization in operating companies

Flexibility in the transaction process for remittance and dealing of foreign exchange

Exemption from income tax on profit for 30 years

Allow the establishing of a representative office within the customs territory of Oman

Exemption from the law of commercial agencies

Exemption from customs duties on imports and exports

Grant the factories operating in the free zone a national certificate of origin

Permission to import all eligible goods into the Sultanate of Oman

Exemption from the requirement of a minimum investment in addition to a wide freedom to use foreign currencies

Allow Yemeni workforce to work in the free zone without entry visa or permanent residence permit in Oman

المنطقة الحرة بالمزونة
AL MAZUNAH FREE ZONE



02

Incentive Guide

100% Foreign
Ownership

No currency
restrictions

Exemption
from minimum
capital require-
ment

Exemption
from customs
duties on im-
ports and ex-
ports

Tax exemption up to 30 years from the date of commencement of operations, renewable for the same period 100% repatriation of capital and profit is permitted

Usufruct agreements up to 50 years; renewable for similar periods

02

Incentive Guide



مجمع الابتكار مسقط
Innovation Park Muscat

Innovation
Park
Muscat

Exemption from income tax for 5 years, renewable for similar period twice

Usufruct agreements up to 25 years, renewable for similar periods

Exemption from customs duties on imports and exports

Exemption from minimum capital investment requirement

Targeted Sectors:

Health

Energy

Environment and Water

Scientific Zones

02

Incentive Guide



- 100% of foreign ownership in all industrial cities
- Lease period of lands and facilities for up to 30 years, renewable for the same period
- Right to waive the lease right for the remaining period of the contract
- Right to sell constructions and buildings on the leased land
- Right to lease the buildings and facilities built on the leased lands by investors
- Right to involve new partners in the lease contract
- Rental value of OMR 1 annually per square meter for the first five years for industrial uses
- Exemption from tax on net profit for a period of five years for industrial projects
- Exemption from customs duties and taxes on production inputs
- Income tax at a fixed rate of 15% per annum and fixed customs duties of 5%
- Percentage of foreign workforce touches up to 65%
- Developed and equipped lands with basic services (water, electricity, telecom, roads)
- Freedom of working around the clock
- Projects can receive 100% foreign ownership

Industrial Cities:

100% of foreign ownership in all industrial cities

- Rusayl
- Raysut
- Nizwa
- Al Mudhaibi
- Al Mazunah
- Suhar
- Sur
- Buraimi
- Mahas
- Samail
- AlWadi Al Kabir
- Ibri
- Knowledge Oasis Muscat

03

Incentive Guide For Sectors

All Sectors

- Corporate income tax of 15%
- Exemption from customs duties on importing factor equipment
- Exemption from customs duties on raw materials for factories
- There are no restrictions on exports to and from:
Gulf Cooperation Council countries, United States of America, Greater Arab Free Trade Area
- Benefiting from the membership of the Sultanate of Oman in the economic agreements, which are:
Gulf Cooperation Council countries
Gulf Customs Union
Greater Arab Free Trade Area
Free trade agreement with the United States of America

03

Incentive Guide For Sectors

Payment to the Entrepreneurship Card holders in only 28 days

Providing training, support and consulting programs for those who have the entrepreneurship card.

Allocating lands with usufruct rights for enterprises that have an entrepreneurship card.

Providing specialized business incubators in various governorates of the Sultanate of Oman.

Providing marketing services to all small and medium enterprises.

Launching specialized programs for small and medium enterprises in the areas of supplier development and export support

Small and Medium Enterprises

Allotting at least 10% of government tenders and procurement for small and medium enterprises.

Exemption from tender fees and bid bond requirements for contracts and tenders of the Oman Investment Authority

Pay the amounts due to small and medium enterprises within 15 days. From the delivery of the last invoice in the tenders under the Oman Investment Authority

Reducing registration fees in the General Secretariat of the Tender Board by 50% for small and medium enterprises

Limiting government purchases whose value is less than 10,000 riyals for Riyadh card holders

Allocating financing programs for small and medium enterprises with a financing ceiling of up to 250 thousand riyals for entrepreneurship card holders

03

Incentive Guide For Sectors

Health Sector

- Assignment of purchase tender products at 10% higher price if the product is from a local vendor.
- Tax exemption on pharmaceutical factories and medical equipment for a period of 5 years.
- Exemption from customs duties on raw materials and equipment used in the production line.

Mining Sector

- The company is not obliged to achieve the omanization rate at the exploration stage.
- Investors can explore all available minerals in the Area, and they have the right to exploit selected minerals according to the economic feasibility study.
- Concession areas are granted for 20 to 30 years (The convention includes prospecting, exploring and mining).

03

Incentive Guide For Sectors

Education Sector

- Allocation of usufruct lands to appropriate sites for school.
- Consideration of fees, labor laws and recruitment requirements for non- Omani teachers and the school's governing body.
- Incentives are given to activities licensed for private school projects.
- Provision of bank facilities to raise the value of loans, reduce interest and extend the repayment period.
- Elimination or reduction of taxes applicable to private schools.

Higher Education Sector

- Exemption from fees related to usufruct.
- Grant of 3 million OMR to private universities.
- Allocation of usufruct lands to appropriate sites for universities and colleges.

03

Incentive Guide For Sectors

Food Security Sector

- Right-to-use land for fish farming projects for 25 years and two years' grace period.
- Land leasing at OMR 50 per acre for the first 100 acres and above OMR 5 per acre.
- Customs exemption for:
 - (Switzerland, Norway, Iceland)
 - States of America Singapore AFTA
 - GCC States Arab States (JAFTA)
- Adoption of electricity pricing for projects (average tariff of 20 baises) for projects with less than 100,000 kilowatts per year.
- 3% Development Bank-backed loans and two-year grace period.

03

Incentive Guide For Sectors

Aviation Sector

- Discounted rates for rent at Oman airports for new investors.
- Reduced rates from Transom company for new airline handling operations.

Tourism Sector

- Land will be granted under usufruct for a period of 25 to 50 years, depending on the type and size of the project.
- A development agreement will be signed with the owners of integrated tourism complexes, which may provide additional incentives and benefits.
- Special visas will be granted to property owners in integrated tourism complexes.
- Exemption from paying the rental value for a period up to five years from the date of signing the usufruct contract.
- The rental value per square meter is 500 baisa per year for Muscat Governorate and Salalah Governorate and 200 baisa for the rest of the Sultanate's governorates. The rental value is calculated only on the built-up area or at least 50% of the area.

03

Incentive Guide For Sectors

**Tourism
Sector**

Musandam Governorate

- Investors are exempted from customs duties for building materials, tools and equipment.
- Exemption from tourism fees set at a rate of 4%.
- In the first 10 years of the project, investors receive exemption from 5% local tax and 15% corporation tax.

03

Incentive Guide For Sectors

Free Trade Agreements:

- GCC - European Free Trade Association (EFTA): Iceland, Liechtenstein, Norway, Switzerland.
- Oman - United States FTA
- GCC – Singapore FTA
- Greater Arab Free Trade Area (Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates, Yemen)