



DOING BUSINESS
IN OMAN

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Who We Are

PRO Partner Group is a full-service provider of company formation and setup solutions. We offer a comprehensive range of services that are aimed at helping entrepreneurs, companies, and businesses find their footing in the Middle East, particularly in the flourishing markets of the UAE and Oman.

Without the support and services of an experienced, trustworthy and proactive partner, establishing a business in the Middle East can be a complex, time consuming and even daunting process.

- Established in 2010
- Offices in Dubai, Abu Dhabi, Oman and Qatar
- Direct clients & Professional Services Firms
- Experienced, trustworthy and proactive
- We reduce complexity, eliminate stress and minimise time

Our Services



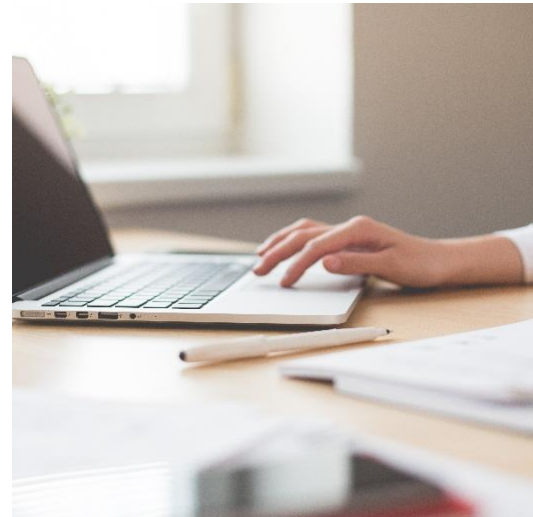
Company Formation

There are several methods by which a foreign investor can set-up their business in Oman. We specialise in mainland and freezone formation.



Corporate Sponsorship

We offer Local Partner service as a 'Corporate Nominee Partner or entity' rather than an individual Omani national.



PRO Services

- Company documents renewals/amendment
- MOMP Registration
- Labour Permit applications
- Work/Investor/Family Visas
- Transfer of sponsorship
- External Approvals



Other Services

- HR Services
- Corporate Advisory
- Corporate Governance
- Legal Document Attestation

Why Choose Us

Security

- Corporate Nominee Partner / Sponsor
- Mitigate Local partner risks
- Reputable Local Partners
- ISO 9001 Accredited
- PPG reputation in the market

Services

- Expert Team
- Dedicated Account Manager
- Experienced team of Arabic GLO's
- All Government Liaison Services for clients – visas, labour etc

Support

- 24/7 Professional Service Support
- Multiple signatories in the company
- CRM – management and advanced alerts to expiry of documents
- Regular updates on Government procedures and regulations
- Onboarding meeting and incoming employee orientation
- Extensive reliable partner network



Key Points of Discussion

- Foreign Investment Law & Other Regulations
- Mainland vs Freezone
- Mainland Legal Structures
- Choosing the Correct Local Sponsor
- Oman Freezones & Technology Park
- Taxation
- Omanisation & In Country Value
- Work Visas



Foreign Capital & Investment Law



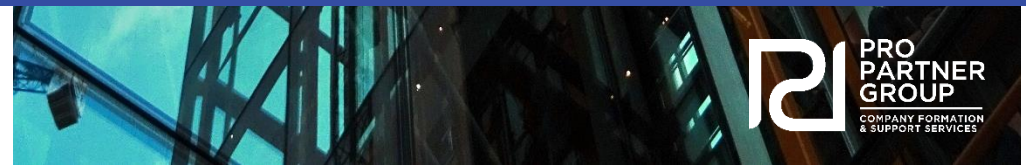
Law Overview:

(by Royal Decree No 102/1994 as amended)

- Minimum share capital – OMR 150,000
- Shareholding ratio – 30% local sponsor & 70% foreign investor
- Some sectors are subject to 100% Omani ownership (real estate, manpower etc)
- The new law issued under Royal Decree No 50/2019 with effect from Jan 2020 includes; no shareholding restrictions, no min capital

Where 100% Foreign Ownership is Possible:

- All shareholders are GCC Nationals or 100% GCC owned companies
- The capital of the company is more than OMR 500,000
- The company's activity is seen as 'valuable' for Oman's economy
- The company has secured a contract with the Oman government
- Free Trade Agreement with the US allows for 100% US owned companies & individual to own 100% in Oman



Mainland vs Freezone

Considerations	Mainland	Freezone
Operation Restrictions	<ul style="list-style-type: none">No restrictions	<ul style="list-style-type: none">Inside freezone or outside of Oman
Ownership Structure	<ul style="list-style-type: none">Maximum 70% foreign ownershipGCC National / US Nationals & companies are allowed 100% foreign ownership	<ul style="list-style-type: none">100% foreign ownership
Share Capital Requirement	<ul style="list-style-type: none">Foreign Investor – OMR 150,000GCC/US Investor – OMR 20,000	<ul style="list-style-type: none">No share capital
Taxation	<ul style="list-style-type: none">Corporate tax – 15%WHT – 10%No personal income tax	<ul style="list-style-type: none">No corporate tax for up to 25 yearsNo import or re-export dutiesNo personal income tax
Government Body Approvals	<ul style="list-style-type: none">External approvals required for some activities	<ul style="list-style-type: none">No external approvals required
Omanisation Requirements	<ul style="list-style-type: none">25% to 50%	<ul style="list-style-type: none">10% to 15%
Commercial Registration & Licence Renewal	<ul style="list-style-type: none">Every 5 years	<ul style="list-style-type: none">Annual

Most Common Legal Structures

We combine our in-depth knowledge of government regulations and international standards with experience in the Middle East market to accelerate the company formation process and deliver value services that benefit our clients.

We have the manpower to accomplish even the most demanding setup tasks in time. Our management team that is committed to providing personalised service to each client.

Legal Structure	Key Facts
Limited Liability Company (LLC)	<ul style="list-style-type: none">• Two and more shareholders• Minimum 30% owned by an Omani sponsor• Maximum 70% foreign ownership• Min share capital of OMR 150,000
Foreign Branch	<ul style="list-style-type: none">• 100% foreign owned• Contract with government• Duration of the project• Home country taxation
Representative Office	<ul style="list-style-type: none">• 100% foreign owned• Commercial activity not allowed• Parent company not less than 10 years in business
Sole Establishment	<ul style="list-style-type: none">• Available to Omanis, GCC and US Nationals• 100% foreign owned• Not allowed to branch

***All legal structures require a local Omani individual to be the company's Government Liaison Officer (PRO)**

Choosing the Correct Local Sponsor

In accordance with the Omani Law, foreign companies and individuals, except for GCC or US shareholders, are generally required to have an Omani partner (individual or company) with a minimum 30% shareholding in order to form a Limited Liability Company (LLC).

Individual Sponsor requirements:

- Omani National
- Over 21 years old
- Some activities require certain degree levels and experience

Corporate Sponsor requirements:

- 100% Omani owned company duly registered in Oman



A Risk-Free Solution to Sponsorship

An Omani national company (Local Sponsor) holds a 51% share and obligations of an organization and the remaining 49% is owned by an individual or group of foreign investors. In this type of sponsorship, the business is sponsored by a company, rather than an individual.



The Benefits of Corporate Sponsorship

- Zero interference with full financial benefits
- More security, better legal protection
- Efficient service
- No need for succession planning
- Clear Exit Strategy



The Advantages of Partnering With Us

- As your corporate sponsor, we will use our experience to handle all the necessary paperwork to establish your business in a timely manner
- We allow the General Manager to Manage the daily operations of the company without interference
- A set fee legally agreed at the start ensures stability and ease for you to budget
- Through our corporate office, you will have access to ongoing services and around the clock support
- We will offer networking opportunities with key local contacts and government departments
- 90 days exit strategy. Once notified in due time we will assist you in either terminating our licence or share transferring to a new sponsor.

Oman Freezones

There are currently four free zones in Oman - Sohar, Salalah and Al Mazunah, as well as a special economic zone in Duqm. The following incentives are offered freezone companies in Oman:

- 100% foreign ownership
- No import or re-export duties
- No personal income tax
- Corporate tax holiday of up to 25 years
- No minimal capital requirements
- Low local labor requirements (85% overseas workforce allowed)
- One-Stop Shop for all relevant clearances



Knowledge Oasis Muscat (KOM)

KOM is a technology park situated near Muscat International Airport, its main objective is to support start-ups, regional and global IT companies. KOM offers free zone benefits to the mainland companies.

There are specific requirements for a Knowledge Oasis Muscat (KOM) company and unless a company falls within the specified categories, registration will be rejected.

- **Must operate within a tech or knowledge-based sector**
- **Must specialise in design or development of products or processes within telecoms, IT, web etc**
- **The workforce must comprise of a high quota of “knowledge workers”. A min of 25% must be qualified technologists, scientists or engineers**

Taxation in Oman

Type of Tax	Specifics
Corporate Income Tax	Currently, the main tax cost to businesses in Oman is corporate income tax, applicable at a rate of 15% on all taxable profits.
Withholding Tax	A 10% withholding tax is applied at source to amounts paid or credited to foreign persons that do not have income attributed to a permanent establishment in Oman for the categories of income like Royalties, Management fees etc
Personal Tax	Income is currently not subject to personal income taxes in Oman and there is no requirement to file income tax returns.
Value Added Tax (VAT)	VAT is expected to commence in 2020, following the agreement by 6 GCC member states and introduction of VAT in the KSA, UAE and Bahrain.

Omanisation Requirements

Omanisation is a policy enacted by the government of Oman in 1988 and aimed at replacing expatriate workers with trained Omani Personnel. The Sultanate of Oman sets quotas for various industries to reach in terms of the percentage of Omani to foreign workers.

- **Banking & Finance – 60%**
- **Industrial Sector – 35%**
- **Hotels & Restaurants – 30%**
- **Wholesale & Retail – 20%**
- **Contracting – 15%**

In Country Value (ICV)

ICV is a total spend retained in-country that benefits business development, contribute to human capability development and stimulate productivity in the Omani economy. The ICV elements are:

- Investments in Fixed Assets
- Omanisation in the Work Force
- Training of Omanis
- Local Sourcing of Goods
- Local Sourcing of Subcontracted Services
- Development of National Suppliers
- Development of National Training, Education and R&D Institutions



Work Visa

A work visa in Oman is a multi-entry visa valid for 2 years. Below are the main requirements for a work visa:

- The sponsor must be a local company or individual with full legal competence
- Applicant's aged shall not be below 21 or above 60 years of age
- They shall be of the same gender as mentioned in the labour permit, issued by the Ministry of Manpower
- The occupation mentioned in the visa application shall be the same as in the labour permit.



For Further **Information**

For more information on our services and expert advice on company formation, contact:

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