

# Doing business in Oman: overview

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## OVERVIEW

### 1. What are the key recent developments affecting doing business in your jurisdiction?

The prolonged slump in oil prices that resulted in shrinking oil revenues and large state deficits has accelerated the government's efforts to develop Oman's non-oil economy and infrastructure. These efforts include laws and regulations to:

- Strengthen corporate governance.
- Restructure capital markets.
- Regulate the Islamic finance sector to diversify funding options for public and private sector entities.

Other notable reforms include restructuring Oman's logistics sector, a priority growth area under the ninth five-year development plan 2016-2020. The reformist trend is set to continue into 2017 with the proposed enactment of a new foreign capital investment law allowing 100% foreign ownership of firms in Oman and removing the current minimum capital requirement.

Oman's first-ever public private partnership law is also due in 2017. It is designed to attract private sector funding and expertise based on a model that has already proved successful in Oman's utilities sector.

Also in the pipeline is a new mining law that will radically overhaul the mining regulations to encourage private participation and foreign investment.

A new government public-private initiative called "Tanfeedh" is tasked with developing recommendations on cutting red-tape, encouraging investment and aligning labour requirements in the areas of logistics, tourism and manufacturing. It is likely to be influential in shaping new laws, including the long-awaited revision of Oman's Labour Law.

A radical reform of Oman's corporate tax law introduced by Royal Decree 9/2017 in February 2017 has implications for companies doing business in Oman as well as foreign investors without a permanent establishment in the country. The reforms, which have been in the pipeline since referral to the Cabinet by the Council of Oman in January 2016, are part of a package of fiscal measures aimed at diversifying revenue resources to offset Oman's higher than forecast budgetary deficit for 2016 due to continued low oil prices.

Changes include removing the tax-free threshold of OMR30,000, raising the corporate tax rate from 12% to 15% (3% for micro-enterprises) for all financial years beginning on or after 1 January 2017 and widening the ambit of withholding tax to cover dividends on shares interest and fees paid to any foreign person based outside the country. Government ministries, bodies and state administrative units are also required to deduct the withholding tax

under the new rules, significantly enlarging the tax base. Tax exemptions previously available for ten years on income arising from operating hotels and tourist villages, agriculture, mining, export of local goods, fishing, animal produce, health care and education have been removed. Exemptions for manufacturing companies are now available for five years only.

## LEGAL SYSTEM

### 2. What is the legal system based on (for example, civil law, common law or a mixture of both)?

Oman's legal system is based on civil law.

## FOREIGN INVESTMENT

### 3. Are there any restrictions on foreign investment (including authorisations required by central or local government)?

A foreign investor wishing to conduct business in Oman must have a registered legal presence. Typically, investors satisfy this rule by incorporating a new company or by purchasing shares in an existing company. To do this, an investor must first obtain a foreign capital investment licence from the Ministry of Commerce and Industry (MOCI) under the Foreign Capital Investment Law (FCIL). In practice, foreign investors will receive a FCIL licence once they acquire an interest in the capital of an Omani company.

Whether an investor is participating in the formation of a new company or acquiring a share in an existing one, a maximum of 70% of the share capital can be foreign-owned (subject to the exceptions below). The remaining 30% must be held by an Omani corporate or individual.

100% foreign ownership is allowed for:

- Projects recommended by the MOCI and considered by the Council of Ministers to be critical to the development of the national economy with a minimum capitalisation of OMR500,000.
- Companies set up by Gulf Cooperation Council (GCC) nationals, or by US nationals under the US-Oman free trade agreement in most sectors.
- Power/water desalination project companies.
- Companies set up in one of Oman's free economic zones.

An LLC (LLC) with foreign ownership generally requires a higher minimum capital of OMR150,000 compared to the minimum capital requirement of OMR20,000 applicable to 100% Omani/GCC/US-owned LLCs.

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#### 4. Are there any restrictions on doing business with certain countries or jurisdictions?

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When Oman signed the US-Oman free trade agreement in 2006, it committed not to enforce the Arab League boycott of Israeli products.

Oman has an Israel Boycott Law (Royal Decree 9/72). It has yet to be repealed or amended.

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#### 5. Are there any exchange control or currency regulations?

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There are no exchange control or currency regulations.

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#### 6. What grants or incentives are available to investors?

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Incentives for foreign investors include:

- Interest-free loans to companies engaged in agriculture, fisheries, industry, mining and quarrying and tourism.
- Low interest loans to industrial firms from the Oman Development Bank.
- Exemption from customs duties on imports of equipment and raw materials required for production purposes.
- Exemption from corporate tax for five years for manufacturing companies.
- Planned and serviced industrial plots for setting up factories.
- Recommendation for the reduction of utility charges for qualifying industries.
- Survey of industrial investment opportunities and preparation of feasibility studies important to the national economy.

Foreign shipping and aviation companies are exempt from paying tax in Oman provided that Omani counterparts enjoy reciprocal treatment in the foreign country. Omani companies and sole proprietorships engaged in shipping are also exempt from tax.

Incentives available to companies registered in a free zone include:

- 100% foreign ownership.
- No custom duties.
- A 30-year tax exemption.
- No currency restrictions.
- Exemption from municipal taxes.
- No minimum capital requirement.
- Minimal Omanisation requirements.
- One-stop shop services for approvals, consents and registrations.

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### BUSINESS VEHICLES

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#### 7. What are the most common forms of business vehicle used in your jurisdiction?

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The main business vehicles used in Oman are:

- General partnerships.
- Limited partnerships.

- Limited liability companies (LLC).
- Branch offices.
- Open or closed joint stock companies.
- Holding companies.
- Unincorporated joint ventures.
- Agencies.

Trusts are not available as a business vehicle.

For most foreign investors, whether individuals or companies, an LLC is the simplest, least expensive and quickest route to establishing a business presence in Oman. Once incorporated, an LLC is relatively straightforward to operate and manage on a daily basis and subject to less oversight and regulation than joint stock companies that are required to list on the Muscat Securities Market.

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#### 8. In relation to the most common form of corporate business vehicle used by foreign companies in your jurisdiction, what are the main registration and reporting requirements?

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##### Registration and formation

Registering a limited liability company (LLC) with 70% or less foreign participation typically takes five to ten business days from receipt of the following authenticated documentation:

- A shareholders' or board resolution resolving to participate in the new company confirming:
  - the proposed name and capital of the new company;
  - the extent of the foreign shareholding; and
  - the person(s) authorised to sign all company formation documents.
- Articles, memorandum of association and other registration certificates issued by the authorities in the country of incorporation, together with the latest audited accounts.
- Copies of passports of the individuals authorised to act on behalf of the foreign members.

The documents in the first two points must be notarised and apostilled/authenticated by the competent authority in the country of incorporation.

The time frame for incorporating an open joint stock company is four to six weeks and 18 to 24 weeks for a closed joint stock company.

The official websites are [www.moci.gov.om/](http://www.moci.gov.om/) and [www.business.gov.om/](http://www.business.gov.om/).

##### Reporting requirements

The following are required by all companies:

- **Appointment of auditors.** The cost of complying is between OMR 5,000 to 10,000 a year. An LLC must have at least one auditor appointed by the members' meeting when:
  - there are more than ten shareholders;
  - the company's capital exceeds OMR50,000;
  - required by the company's constitution; or
  - one or more shareholders representing at least a fifth of the company's capital request that auditors be appointed.
- **Review of annual accounts at year end.** Companies must prepare a balance sheet and the profit and loss account for the preceding financial year within four months of its end.

- **Annual general meeting of shareholders to approve annual accounts.** Within six months from the end of the financial year, the authorised managers of the company must send each shareholder a copy of the balance sheet, the profit and loss account and the managers' and auditors' reports. They are invited to a shareholders' meeting to approve the financial statements. The original financial statements must be available for inspection by the members at the company's head office for at least two weeks before the meeting to approve them.
- **Filing annual accounts.** There is no requirement to file a company's accounts with any governmental authority.
- **Legal reserve.** Managers must deduct 10% of net profits annually as a legal reserve until the reserve totals at least a third of the company's share capital. The legal reserve cannot be distributed as profits or dividends to the shareholders and must be maintained for the duration of the company.
- **Finance and accounting.** The company's financial statements must comply with the International Accounting Standards in accordance with Royal Decree 77/86.
- **Tax return.** This must be filed to Ministry of Finance (Secretariat General for Taxation) within six months from the end of the financial year using Income Tax Form No. 14 (*Article 140, Income Tax Law*).
- **Human resources manual.** Article 29 of Royal Decree 35/2003, as amended (Labour Law) provides that any employer with 15 or more employees must place, in a conspicuous location in the workplace, a notice displaying standing instructions for work and another for disciplinary procedures, both pre-approved by the Ministry of Manpower.
- **Contribution to the public authority for social insurance fund (PASI).** Private sector employers make monthly contributions to PASI equivalent to 11.5% of each Omani employee's gross salary. Omani employees pay 7% of their gross monthly earnings.
- **Employee details.** Companies must provide the Ministry of Manpower with details of employees every January (*Article 14, Labour Law*). The details must include:
  - the number of Omani and non-Omani employees;
  - job titles/roles performed by the employees, their gender, wages and so on;
  - job vacancies;
  - a statement on working conditions;
  - employment opportunities; and
  - any forecast increase or decrease in staffing levels for the year.
- **Omanisation Plan (under Ministerial Decision 321/2009).** Companies must submit annual Omanisation plans to the Ministry of Manpower every year before 15 August.
- **Oman Chamber of Commerce (OCCI) registration card.** OCCI registration must be renewed annually and costs OMR650.
- **Foreign business licence.** Any foreign business licence must be renewed every five years with the Ministry of Commerce and Industry. It costs OMR750.
- **Municipality certificate.** Where a company has an annual lease, the municipality certificate must be renewed annually with the relevant municipality. It costs OMR100.

### Share capital

See *Question 3*.

### Non-cash consideration

The Commercial Companies Law Royal Decree 4/74 as amended (Companies Law) permits share capital to be contributed in kind and certified by an Oman-licensed auditor.

### Rights attaching to shares

**Restrictions on rights attaching to shares.** Under the Companies Law, any transfer of shares in a limited liability company must be registered with the Ministry of Commerce and Industry. The pre-emption rights contained in the Companies Law require shares to be offered for sale to existing members before and on the same terms and conditions as they are offered for sale to a third party. Members are not permitted to conduct business similar to the business of the company without the prior written consent of all other members.

**Automatic rights attaching to shares.** Automatic rights include the right to receive a dividend and inspect the original balance sheet, profit and loss statements and reports of the managers and auditors for the last five financial years. Members have a right to attend members' meetings and cast one vote for each share owned or represented. Members owning more than 20% of the share capital of a limited liability company can convene a meeting.

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## 9. In relation to the most common form of corporate business vehicle used by foreign companies in your jurisdiction, outline the management structure and key liability issues.

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### Management structure

The managers have overall responsibility for the management and supervision of the company. This is unless the company's constitution or the Companies Law provide otherwise. Typically, day-to-day management is delegated to a manager (or managers) who can be a member, or to a non-member manager engaged for that purpose.

### Management restrictions

Under the Companies Law, a manager, whether a foreigner or a national, cannot (except where expressly authorised to do so by resolution or the company's constitution):

- Make donations, other than small, customary donations for business purposes.
- Sell all or a substantial part of the company's assets.
- Pledge or mortgage the company's assets, except to secure the debts of the company incurred in the ordinary course of business.
- Guarantee debts of third parties, other than guarantees made in the ordinary course of business in line with the company's objectives.

### Directors' and officers' liability

The liability of managers will only arise if they have:

- Acted negligently.
- Exceeded the authority granted by the shareholders.
- Failed to take any action that would reasonably have been expected under normal circumstances.
- Acted contrary to the applicable laws of Oman.

### Parent company liability

Under the Companies Law, a parent company cannot be held liable if the subsidiary fails to discharge its liabilities. This is because the liability of the shareholders in a limited liability company is limited to the nominal value of their shares in the capital of the company.

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## EMPLOYMENT

### Laws, contracts and permits

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#### 10. What are the main laws regulating employment relationships?

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Private sector employment in Oman is governed by Royal Decree 35/2003 as amended (Labour Law). The Labour Law is mandatory and applies regardless of any choice of law in the employment contract. It regulates the employment of both Omanis and non-Omanis in the private sector.

#### 11. Is a written contract of employment required? If so, what main terms must be included in it? Do any implied terms and/or collective agreements apply to the employment relationship?

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Contracts of employment must be approved by and lodged with the Ministry of Manpower (MOM). If the contract is drafted in any language other than Arabic, it must be accompanied by an Arabic translation, approved by both parties. A contract of employment must include the:

- Employer's name, establishment and address of the place of work.
- Employee's name, date of birth, qualifications, job or occupation, address and nationality.
- Nature and type of work or job title and the period or term of the contract.
- Basic salary, allowances, benefits and gratuities payable to the employee, method and timing of payment.
- Period of notice to be given by a party wishing to terminate the contract.

#### 12. Do foreign employees require work permits and/or residency permits?

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Foreign employees must obtain clearance from the Ministry of Manpower (MOM) before taking up employment in Oman. The employer must complete MOM's standard labour clearance form for submission and, provided all the requirements are satisfied, labour clearance will be issued within seven to ten working days for a fee of OMR301 payable every two years on renewal.

After obtaining the labour clearance, the employer must apply to the Royal Oman Police (ROP) for an employment visa which takes four to five working days and costs OMR20, renewable every two years. Once the employment visa is stamped in the employee's passport and mandatory medical formalities are completed, the employee will be given a residence card from the ROP at the cost of OMR11.

#### Termination and redundancy

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#### 13. Are employees entitled to management representation and/or to be consulted in relation to corporate transactions (such as redundancies and disposals)?

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Employees are not entitled to management representation or consultation.

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#### 14. How is the termination of individual employment contracts regulated?

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The employer's right to terminate employment must be exercised according to the Labour Law and the contractual terms agreed on between the employer and employee. The Labour Law lists the statutory grounds under which an employer can terminate an employment contract at will (without paying end-of-service benefit).

In the absence of any statutory ground for termination, or other contractual term previously approved by the Ministry of Manpower (MOM) (for example, contained in a disciplinary procedure endorsed by MOM), an employee can file a compensation claim for unfair dismissal.

On a finding of unfair dismissal, the labour court can order:

- Reinstatement.
- Payment of compensation of not less than three months' gross salary.
- End of service gratuity and all other benefits stipulated by the law or the employment contract.

There is a statutory minimum 30 day notice period for termination of unlimited term contracts. There is no minimum notice period for termination of limited term contracts. The Labour Law does not provide for any statutory severance payment.

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#### 15. Are redundancies and mass layoffs regulated?

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The Labour Law is silent on the issue of redundancy and the concept is not generally recognised.

An employer can close a section, department or business activity that is not economically viable subject to satisfying the burden of proof that continuing the employment would constitute a financial burden on the employer and that the employee's dismissal was fair. An employer must demonstrate that it has dealt with dismissed employees in a fair and transparent manner, which can entail payment of compensation on account of loss of future income.

## TAX

### Taxes on employment

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#### 16. In what circumstances is an employee taxed in your jurisdiction and what criteria are used?

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Personal income is not currently taxed in Oman irrespective of residence or nationality.

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#### 17. What income tax and social security contributions must be paid by the employee and the employer during the employment relationship?

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No income tax is payable by either the employee or employer.

#### Tax resident employees

Not applicable.

#### Non-tax resident employees

Not applicable.

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## Employers

Employers and Omani employees each pay monthly social security contributions to public authority for social insurance fund (PASI) (see *Question 8*).

Under the Social Security Insurance Law, Omani employees are entitled to retirement benefit from PASI, provided the employee has contributed to the scheme for a year or more.

On termination of a contract, a foreign employee receives:

- An end of service gratuity equivalent to 15 days' salary for each of the first three years worked.
- 30 days' salary for each consecutive full year worked, calculated by reference to the final basic salary.

## Business vehicles

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### 18. When is a business vehicle subject to tax in your jurisdiction?

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#### Tax resident business

The concept of a tax resident business is recognised by the Tax Law in the term "permanent establishment" (PE). A PE is defined as a fixed place of business through which a business is wholly or partly carried out in Oman by a foreign person. It includes business conducted in Oman either directly or through a dependent agent.

A 90-day threshold in a 12 month period applies to foreign companies providing consultancy or other services in Oman, whether directly or through employees or others designated to perform the services.

Tax treaties between Oman and its treaty partners can affect the amount paid by a PE.

#### Non-tax resident business

A non-tax resident business is subject to a 10% withholding tax in Oman if:

- It has a PE/branch.
- It does not have a PE in Oman but receives payment for fees for the provision of services, royalties, management fees, research and development, or for the use of or right to use computer software.

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### 19. What are the main taxes that potentially apply to a business vehicle subject to tax in your jurisdiction (including tax rates)?

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The main taxes that potentially apply to a business vehicle subject to tax in Oman is corporate tax and withholding tax. Qualifying income is subject to tax irrespective of whether it is realised in or outside of Oman.

Oman's corporate tax law (Tax Law, Royal Decree 28/2009 as amended) taxes the worldwide income of Omani companies as defined by the Companies Law including the Oman-source income of foreign branches and other foreign-owned permanent establishments. It also applies to sole proprietorships governed by the Commercial Register Law.

Following the revision of the tax rules in February 2017, the tax-free threshold of OMR30,000 was removed and the corporate tax rate raised from 12% to 15% on all income for financial years beginning on or after 1 January 2017 for all companies (apart from micro-enterprises which are taxable at a new rate of 3%)

The tax rate for companies engaged in petroleum exploration is 55% on income derived from the sale of petroleum products.

Measures approved in a joint session of consultative assembly Majlis Al Shura and the State Council in May 2016 to increase tax on liquefied natural gas companies to 55% and to 35% tax on petrochemical firms are currently on hold.

Tax returns must be filed within six months from the end of the taxpayer's financial year (see *Question 8*).

## Dividends, interest and IP royalties

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### 20. How are the following taxed:

- **Dividends paid to foreign corporate shareholders?**
  - **Dividends received from foreign companies?**
  - **Interest paid to foreign corporate shareholders?**
  - **Intellectual property (IP) royalties paid to foreign corporate shareholders?**
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#### Dividends paid

A 10% withholding tax is payable on dividends paid to foreign corporate shareholders following the 2017 revision to the Tax Law. An informal clarification by the tax authorities of ambiguous wording in the revised text indicates that the provision applies only to taxation of dividends on shares of joint stock companies, and not to Limited Liability Companies (LLCs).

#### Dividends received

Dividends received from foreign companies are taxed in Oman.

#### Interest paid

A 10% withholding tax is payable on interest paid to foreign corporate shareholders following the 2017 revision of the Tax Law.

#### IP royalties paid

Withholding tax at a rate of 10% is imposed on intellectual property royalties paid to foreign corporate shareholders.

## Groups, affiliates and related parties

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### 21. Are there any thin capitalisation rules (restrictions on loans from foreign affiliates)?

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Legislative guidance on thin capitalisation is only given in relation to interest on loans from related parties. Interest paid to a related party can be deducted for tax purposes only if the debt-to-equity ratio of the borrower does not exceed 2:1. If the debt-to-equity ratio of the borrower exceeds 2:1, only a portion of the interest expense is allowed for tax purposes.

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### 22. Must the profits of a foreign subsidiary be imputed to a parent company that is tax resident in your jurisdiction (controlled foreign company rules)?

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Profits from a foreign subsidiary are not exempt from tax. Dividends received from foreign companies are taxable in Oman. However, if a company has paid tax outside Oman on income earned or realised outside Oman, it can deduct the tax paid outside Oman from the tax payable on its taxable income in Oman as long as it does not exceed the equivalent Omani tax on the same income.

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### 23. Are there any transfer pricing rules?

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The Tax Law does not contain detailed transfer pricing regulations to determine an arm's length price. Where related party transactions result in a lower taxable income or higher taxable loss than would have arisen on a transaction between unrelated persons, the tax authority can adjust the terms of the transaction when computing taxable income and losses.

#### Customs duties

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### 24. How are imports and exports taxed?

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Oman applies the Gulf Cooperation Council (GCC) standard customs duty rate of 5% of goods' cost, insurance and freight value. Exceptions include tobacco and alcohol, which are subject to a customs duty rate of 100%.

Goods imported into Oman's free zones and special economic zones may be exempt from customs duty.

The GCC Customs Law does not levy export customs duties.

#### Double tax treaties

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### 25. Is there a wide network of double tax treaties?

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Oman has signed comprehensive double tax avoidance treaties with 28 countries including Canada, China, France, India, Iran, Italy, Korea, Netherlands, Singapore, South Africa and the United Kingdom.

Several others are under negotiation.

## COMPETITION

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### 26. Are restrictive agreements and practices regulated by competition law? Is unilateral (or single-firm) conduct regulated by competition law?

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#### Competition authority

The competition Authority is the Public Authority for Consumer Protection (PACP). Its website address is [www.pacp.gov.om/](http://www.pacp.gov.om/). The website provides guidance on the competition law rules.

#### Restrictive agreements and practices

The Competition and Anti-Monopoly Law enacted by Royal Decree 67/2014 (the Competition Law) prohibits restrictive agreements and practices, examples of which are set out in detail in the law.

The Competition Law also prohibits a person who holds a dominant position (more than 35% of the market share) from engaging in any transaction that violates, restrains, prevents, limits or contravenes the rules of competition, including unjustified discrimination between customers with contracts for similar products, prices or sale or purchase conditions.

#### Unilateral conduct

The Competition Law prohibits a person who is in a dominant position from engaging in unjustified discrimination between customers with similar commercial and/or supply arrangements.

A dominant position is established where an entity exercises control or influence in a regulated market by holding more than 35% of the market share.

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### 27. Are mergers and acquisitions subject to merger control?

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Mergers, acquisitions and joint ventures resulting in the creation of a dominant position for a person or group of persons must be notified to the Public Authority for Consumer Protection.

A dominant position exists where a person or group of persons acting jointly have the power to control or influence a relevant market such as by acquiring 35% of the market share.

The Competition Law does not prescribe any asset/turnover/market share-based thresholds. It will apply to a foreign-to-foreign transaction if has an effect on a relevant market in Oman.

## INTELLECTUAL PROPERTY

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### 28. Outline the main IP rights in your jurisdiction.

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#### Patents

**Definition and legal requirements.** The Industrial Property Law of Oman (IP Law) and its implementing regulations govern the registration, protection, use and enforcement of intellectual property rights in Oman, including patents and trade marks. Under the IP Law, a patent can be granted for an invention that is new, involves an inventive step and is industrially applicable. A registered patent grants an inventor the right to prevent others from copying, manufacturing, selling or importing the invention without the inventor's permission.

**Registration.** The Ministry of Commerce and Industry's (MOCI) Oman Patent Office examines patent applications as a precursor to a more substantive examination by the Austrian or European Patent Offices. Oman is also a member of the Gulf Cooperation Council Patent Office (GCPO) in Riyadh, Saudi Arabia. GCPO patent certificates protect an inventor's rights in all GCC member countries. There is no online guidance.

**Enforcement and remedies.** Claims for GCC patent infringement are heard by the court in the GCC state where the infringement is alleged to have taken place.

**Length of protection.** A patent is valid for 20 years provided the patent owner uses or licenses it within four years of the application.

#### Trade marks

**Definition and legal requirements.** Licensing of registered trade marks in Oman is governed by the IP Law. A mark must be capable of distinguishing the goods and services it is applied to from those made by another entity. Words that are commonly used to refer to a type of goods or service, and words of a technical nature will not satisfy the requirement.

**Protection.** The Industrial Property Directorate at the MOCI registers trade marks. The process takes six to 12 months. The regulations are available in Arabic on the MOCI website.

**Enforcement and remedies.** Unauthorised use of a registered trade mark and other related offences are punishable under Omani law. An aggrieved trade mark owner (or licensee) can also bring a civil action for damages.

**Length of protection and renewability.** Trade mark registration lasts for an initial period of ten years renewable for an indefinite period.

#### Registered designs

**Definition.** Industrial designs are defined as any innovative three-dimensional shape that can be used in industry or craft. To be registrable, a design must be novel, innovative and usable as an industrial product.

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**Registration.** Protection is achieved by registration under the IP Law and is administered by the MOCI.

The regulations are available in Arabic on the MOCI website.

**Enforcement and remedies.** Unauthorised use of a registered industrial design, to manufacture or import goods relating to the industrial design, with the intention of selling those goods, is punishable by law. The aggrieved industrial design owner (or licensee) can also bring a civil action for damages.

**Length of protection and renewability.** Protection for a registered design lasts for ten years from the date of filing the application for registration.

### Unregistered designs

**Definition and legal requirements.** Unregistered designs are protected as an unregistered copyright (see below, *Copyright*).

**Enforcement and remedies.** See below, *Copyright*.

**Length of protection.** See below, *Copyright*.

### Copyright

**Definition and legal requirements.** Author's copyrights and related rights of performance artists are governed by Oman's Law of Author's Copyrights and Related Rights (Copyright Law). Protection under the Copyright Law is given to original literary, technical and scientific works irrespective of the value of these works, their nature, the method of expression or the purpose of their authorship. The protection extends to computer programs and databases.

**Protection.** The author or a representative can apply to the MOCI for protection of a work. The application is notified by publication in the Official Gazette. No greater substantive protection is afforded a registered copyright compared to an unregistered copyright.

**Enforcement and remedies.** An author and/or holder of a title protected under the Copyright Law can, in case of infringement:

- Submit an application to the competent customs authority to block customs clearance of the goods.
- Request a competent court to issue an order to:
  - prevent the infringement of a protected right;
  - suspend the infringement of a protected right;
  - protect copies of the work involved in infringement and the material used in making the copies;
  - discontinue the public performance of a work;
  - assess and attach the income derived from the unlawful exploitation of the copyright.
- An author or other rightful owner can initiate civil action against the infringing party.
- The public prosecutor can, of its own accord, conduct a criminal investigation of offences under the Copyright Law.
- Under the Copyright Law, if an infringement is proved to have taken place a court can order the confiscation of assets derived from the infringement. The court can also order the seizure and destruction of all the infringing goods and associated material and equipment at the expense of the judgement debtor.

**Length of protection and renewability.** Copyright protection lasts for the life of an author plus 70 years from the start of the year following the year of his death.

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## MARKETING AGREEMENTS

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### 29. Are marketing agreements regulated?

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Agency/distributorship agreements are regulated by the Commercial Agencies Law enacted by Royal Decree No. 26/77 and its amendments.

A major amendment to the Commercial Agencies Law in 2014 introduced a more balanced approach to the rights and obligations of foreign principals and local agents. After the amendment, a foreign principal can now sell its goods or services in Oman directly or through an intermediary. The amendment also removed an existing registered agent and a registered agent's statutory right to claim compensation from a foreign principal for unjustified termination of the agency contract.

Agency/distributorship agreements must be registered with the MOCI to be enforceable. Both the foreign principal and the local agent can be held liable for a fine of OMR500-10,000 for failure to register the agreement.

All agency/distributorship agreements must be in writing incorporating basic terms and conditions of the agency and attested by the Oman Chamber of Commerce or the competent authority if concluded outside Oman.

A foreign principal can terminate an agency agreement on expiry of its term, or cancel it earlier with a minimum of three months' notice. Failure to do this means the agency agreement will be renewed automatically for the same period.

#### Distribution

See above.

#### Franchising

Oman does not have a stand-alone franchise law. Historically franchising has been viewed as an arrangement for the sale, promotion or distribution of products or provision of services by a foreign entity, falling within the ambit of the Commercial Agencies Law.

Other laws with a bearing on franchising arrangements include the:

- Civil Transactions Law.
- Commercial Code.
- Industrial Property Law.
- Consumer Protection Law.

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## E-COMMERCE

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### 30. Are there any laws regulating e-commerce (such as electronic signatures and distance selling)?

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The use and admissibility of electronic transactions and electronic documents is governed by the Electronic Transactions Law, Royal Decree 69/2008 (ETL).

The ETL provides that if a law stipulates that any record, document, information or data must be drawn up in writing or that the original version of the record, document, information or data must be available, an electronic version of the material will satisfy the requirement of being in writing or being an original, provided that the requirements of the ETL are complied with.

The ETL also governs the use and admissibility of electronic signatures, defined widely to include signatures imprinted on an electronic text message or an electronic transaction, either in the form of letters, figures, symbols or signs and with unique feature of identification to distinguish the person signing it from others.

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## ADVERTISING

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### 31. Outline the regulation of advertising in your jurisdiction.

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Advertising is regulated by the Consumer Protection Law (Royal Decree 66/2014 and its executive regulations).

The underlying principle of the Consumer Protection Law is that it is the duty of an advertiser to furnish accurate information about the quality of a commodity and its price and abstain from erroneous or misleading propaganda. Deceiving or trying to deceive a consumer through any means as to the reality, nature, kind, source, ingredients, benefits or components of a commodity or service is treated as a violation of the rules of freedom of choice, equality, fair dealing, honesty and integrity.

In addition to the Consumer Protection Law, the Industrial Property Law prohibits unfair commercial practices including prejudicial advertising.

## DATA PROTECTION

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### 32. Are there specific statutory data protection laws? If not, are there laws providing equivalent protection?

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There are no specific data protection laws in Oman. However, the Electronic Transactions Law provides for protection of personal data and regulates the transfer of personal data outside of Oman.

## PRODUCT LIABILITY

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### 33. How is product liability and product safety regulated?

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The Consumer Protection Law sets out that a consumer's health and safety must not be adversely affected by the normal use of a commodity or service. Violation means the consumer can claim fair compensation for any injury suffered.

The Consumer Protection Law obliges a supplier to notify consumers and the competent authorities immediately of a potential defect in a product and take precautionary measures.

## MAIN BUSINESS ORGANISATIONS

### Ministry of Commerce and Industry (MOCI)

W [www.moci.gov.om/](http://www.moci.gov.om/)

**Main activities.** The MOCI is the government body responsible for trade policies and regulations, the official company registrar and is the main commercial licensing authority in Oman. It offers a one-stop shop (the Invest Easy portal [www.business.gov.om/wps/portal/](http://www.business.gov.om/wps/portal/)) to help set up and manage companies in Oman.

### The Public Authority for Investment Promotion and Export Development (Ithraa)

W [www.ithraa.om/](http://www.ithraa.om/)

**Main activities.** Ithraa offers confidential support services arranging introductions, conducting sector-specific research and relocation advice to companies interested in growing or establishing their business in Oman.

### Ministry of Manpower (MOM)

W [www.manpower.gov.om/](http://www.manpower.gov.om/)

**Main activities.** The MOM is responsible for manpower policies and laws to regulate the labour market and develop human resources. MOM is the issuing authority for work permits and for settling employment disputes.

### Ministry of Finance (MOF)

W <https://mof.gov.om/english>

**Main activities.** The MOF is responsible for drafting financial laws and regulations, setting financial policies, the state annual budget, monitoring the remittance of state revenues, concluding loans on behalf of government as well as collecting and regulating corporate income and other taxes as well as tax exemptions.

### Capital Market Authority (CMA)

W [www.cma.gov.om/](http://www.cma.gov.om/)

**Main activities.** The CMA regulates and monitors Oman's capital market, Islamic Finance and insurance sectors and institutions. It supervises Muscat Securities Market, Muscat Clearing and Depository Company, publicly-listed companies and CMA-accredited audit firms. It is also the licensing authority for securities companies, investment funds, credit rating agencies and brokers.



## ONLINE RESOURCES

### Oman Ministry of Legal Affairs (MOLA)

W [www.mola.gov.om/mainlaws.aspx](http://www.mola.gov.om/mainlaws.aspx)

**Description.** MOLA is the official legislative body responsible for reviewing draft laws and regulations proposed by government entities, reviewing draft contracts, conventions and treaties that the government intends to conclude, and providing official interpretations of royal decrees and ministerial decisions. It publishes all primary and secondary legislation in Arabic in a bi-monthly Official Gazette and on its website.

MOLA is currently working on an online resource for official English-language translations of laws. Unofficial translations can be found on individual ministry websites. There is no unofficial website containing credible English-language translations of laws.

## Practical Law Contributor profiles

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**Professional qualifications.** England and Wales, Barrister, 1982

**Areas of practice.** Corporate; regulatory; banking and finance; dispute resolution.

Recent transactions

- Advised the Government of Oman, Standard Chartered Bank and Deutsche Bank on the first US\$-denominated sovereign sukuk issuance (US\$500 million).
- Acted as Omani counsel on behalf of the joint lead managers and arrangers on Oman's debut sovereign sukuk issuance (US\$650 million).
- Advised the Government of Oman on its first ever US\$-denominated bond issuance under Regulation S and Rule 144A of the US Securities Exchange Commission.
- Acted for the promoters of the Barka/Sohar IWPs drafting and settling all project documents, setting up the project, O&M and companies and advised Oman law aspects of the project financing.

**Languages.** English, Urdu, Punjabi

**Professional associations/memberships.** Door tenant, Thirty Nine Essex Street Chambers, London, Lincoln's Inn, IBA

**Publications**

- LexisNexis Dispute Resolution Law Guide 2017.
- Chambers Global Practice Guide International Arbitration – Oman.
- Aviation Finance Leasing 2016 - Getting the Deal Through.
- The case for and against Tawarruq – The Oath Middle East.
- Growth and Future of Islamic Finance in Oman – IFLR1000.

**Professional qualifications.** LLM, University of Glasgow, 2003; LLB, Panjab University, India, 2002

**Areas of practice.** Corporate/commercial, projects.

Recent transactions

- Acted for bidders, on a non-exclusive basis, for the development, financing, design, engineering, construction, ownership, operation and maintenance of Ibri/Sohar IPP, Al Ghubrah IWP, Al Qurayyat IWP, Barka/Sohar IWP and Salalah II IPP.
- Acted for Wärtsilä, a global leader in power solutions for the marine and energy markets in respect of the engineering, procurement and construction contract and the operations and maintenance agreement for the 50 MW Musandam IPP.
- Acted for Vestas Mediterranean in respect of the engineering, procurement and construction contract and the operations and maintenance agreement for the 50 MW Harweel wind farm project.

**Publications**

- Getting the Deal Through - Project Finance 2015.
- ICLG (The International Comparative Legal Guide to Construction and Engineering Law 2015).
- Getting the Deal Through - Project Finance 2014.
- Multilaw – Hire and Fire.
- MEED – Doing Business in Oman (Taxation in Oman).

**Languages.** English, Urdu, Hindi