



Oman Excise tax

Unofficial translation of Ministerial Decision
No. 112/2019 issued on 2 June 2019
amended by Tax Authority Decision No.
34/2020 issued on 16 June 2020

July 2020

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Decision No. 112/2019 issued on 2 June 2019 amended by Decision No. 34/2020 issued on 16 June 2020 effective from 1 October 2020

Determination of value, types of excise goods and rate of tax imposed on each of such goods

English translation (unofficial)

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Tax Authority

Decision No. 112/2019 issued on 2 June 2019 amended by Decision No. 34/2020 issued on 16 June 2020

Determination of value, types of excise goods and rate of tax imposed on each of such goods

Based on the Excise Tax Law promulgated by Royal Decree No. 23/2019

The decision of the Council of Ministers during its session No. 18/2019 held on 14 May 2019 G. endorsing the determination of the value and types of excise goods and tax rate imposed on each of such goods;

And in view of the exigencies of public good;

It has been decided:

Article (1)

In the application of the provisions of this decision, the words and expressions provided therein shall have the same meaning provided under the Excise Tax Law, above referenced. Further, the following words and expressions shall have the meaning assigned against each, unless the context of the text requires otherwise:

1. Tobacco and tobacco products:
All types of tobacco mentioned in Chapter (24) of the Common Customs Tariff for the Arab States of the Gulf Cooperation Council, imported into or cultivated or produced in the Sultanate.
2. Pork meat:
All pork meat, limbs, bowels, fats and all edible meat derivatives, whether fresh, chilled, frozen, dried or salted and such other pork meat derivatives that are classified as goods of a special nature in the Common Customs Tariff for the Arab States of the Gulf Cooperation Council.
3. Alcoholic drinks:
Any drink containing a certain percentage of alcohol and shall include all types classified as goods of a special nature in the Common Customs Tariff for the Arab States of the Gulf Cooperation Council.
4. Energy drinks:
Any drink containing stimulants or providing mental or physical stimulation, and which include caffeine, taurine, ginseng and guarana. Any concentrates, powders, gels or extracts which can be transformed into energy drinks shall also be considered as energy drinks.
5. Soft drinks (carbonated beverages):
Any artificial drinks containing preservatives, gases and flavors that give it a distinctive taste which is different from another type. Any concentrates, powders, gels or extracts which can be transformed into soft drinks shall also be considered carbonated drinks.
6. ***(Sweetened beverages:
Any beverage containing sugar, sugar derivatives or any other sweetener. Any concentrates, powders, gels or extracts which can be transformed into sweetened beverages in accordance with the schedule attached to this Decision, shall also be considered sweetened beverages.)¹***

¹ Added by Article 2 of Decision No. 34/2020

Article (2)

Excise goods on which tax shall be imposed as well as its respective rate shall be determined in accordance with the following schedule:

Type of excise goods	Rate of excise tax (percentage)
Tobacco and tobacco products	100
Pork meat	100
Alcoholic drinks	100
Energy drinks	100
Carbonated drinks	50
(Sweetened drinks)	50²

Article (3)

(In case excise tax due has been previously settled, energy drink, carbonated drink or sweetened beverages prepared by a non-taxable person shall not be considered an excise good and excise tax shall not be due thereon.)³

Article (4)

Classification of excise goods determined in this decision shall be based on the applicable Harmonized System Code applied by the Directorate General of Customs, Royal Oman Police.

Article (5)

Value of excise goods on which tax shall be imposed shall be determined based on the retail price which is determined by the person liable to tax or the standard price determined under the standard price list prepared by the Tax Authority (TA), whichever is higher. Further, such value shall not include the excise tax due and the value added tax, once implemented.

Retail price shall not include the value added to excise goods on sale or consumption in hotels, restaurants or coffee shops.

In case of multiple retail prices for the same excise goods, under any circumstance the retail price shall not be less than the average retail selling price in the local market.

Article (6)

The person liable to tax shall submit to the TA the necessary documents evidencing the actual retail price declared for the excise goods.

Article (7)

This decision shall be published in the Official Gazette and shall enter into force effective from 15 June 2019.⁴

Issued on: 24 Ramadan 1440 H.
Corresponding to: 30 May 2019 G.
Darweesh bin Ismail bin Ali Al-Blushi
Minister Responsible for Financial Affairs

² Added by Article 3 of Decision No. 34/2020

³ Substituted by Article 1 of Decision No. 34/2020

⁴ Amendments made *vide* Decision No. 34/2020 shall be effective 1 October 2020.

(Schedule

Firstly, the following drinks shall be considered as sweetened beverages:

- 1. Juices**
- 2. Sports drinks**
- 3. Artificially flavored powder and concentrates used in preparing sweetened beverages**
- 4. Fruit juice**
- 5. Fruit and nectar juices**
- 6. Barley drinks (malt drinks and non-alcoholic beer)**
- 7. Ready to drink/packaged coffee and tea**

A drink shall be considered as sweetened beverage if it satisfies the following conditions:

- 1. If sugar or any other substance containing added sugar has been added during manufacturing.**
- 2. If the drink is ready for consumption or is prepared by mixing it with water, crushed ice or carbon dioxide, or a combination of the aforementioned.**
- 3. If the drink is packaged in bottles or cans, or in any other form to be ready for consumption or to be diluted with water for consumption.**

Added sugar shall in particular include the following:

- 1. Sucrose**
- 2. Glucose**
- 3. Fructose**
- 4. Lactose**
- 5. Galactose**
- 6. Coconut sugar**
- 7. Sugar cane**

Sugar substitutes shall be considered as added sugar and shall in particular include the following:

- 1. Stevia**
- 2. Sucralose**
- 3. Saccharine**
- 4. Aspartame**
- 5. Neotame**
- 6. Acesulfame K**
- 7. Erythritol**

Secondly, the following drinks shall not be considered as sweetened beverages:

- 1. 100 percent natural fruit and vegetable juices, including:**
 - a. Pureed fruit**
 - b. Dried fruit juice**
 - c. Drink prepared from fruit or vegetable not containing any added sugar**
 - d. Drink prepared from mixing liquids and served in open container/packaging (not considered as natural fruit juices/deionized fruit juice)**
- 2. Milk and dairy products, including:**

- a. *Drink containing at least 75 percent milk, including, animal's milk, processed milk, milk powder, Laban (acidophilus milk), whey and processed whey (cream substance shall not be considered as milk).*
 - b. *Milk substitutes, such as soya or almond milk*
 - c. *Artificial baby milk or supplementary milk, or baby food*
3. *Food supplements*
4. *Drinks intended for special nutritional or medical purposes*
5. *Milk based drinks*
 - a. *Milk based drinks shall include drinks containing at least 75 ml of milk per 100 ml of the drink*
6. *Milk substitutes, including drinks that satisfy all of the following conditions:*
 - a. *Contain at least 120 mg of calcium per 100 ml;*
 - b. *Extracted from legumes, pulses, cereals, nuts or seeds or any other type of plant;*
 - c. *Used for all or most uses of milk;*
 - d. *Having consistency similar to milk; and*
 - e. *Not containing aerated substances.)*⁵

⁵ Added by Schedule to Decision No. 34/2020



Thank you

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