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INTRODUCTION

Oman has a distinct history with a long tradition of entrepreneurship and international trade. It has age-old maritime traditions dating back to sea going commerce which flourished between the 7th and 15th century CE when Oman dominated sea routes extending as far as Africa to the south, China to the east and Europe to the west. Since 1970, the country has been ruled by His Majesty Sultan Qaboos bin Said. During his visionary reign, the country has undergone rapid and far reaching economic and social development while maintaining its cultural heritage and natural environment.

Oman’s economy was traditionally based on fisheries and agriculture before the discovery of its oil and gas reserves. While the country’s oil revenues have contributed towards its rapid economic growth, the government has actively pursued a development plan focused on diversification, industrialisation, and privatisation of the economy with the aim of reducing the oil industry’s contribution to GDP.

Oman has untapped potential in many industries such as tourism, fisheries, logistics, mining, services and manufacturing and the Omani government actively encourages foreign direct investment. Accordingly, the government offers a number of incentives and Free Zones that contribute to an accommodating investment environment.

This investment handbook is brought to you by Al Mouj Muscat and has been developed by Ithraa (Oman’s inward investment and export development agency) and KPMG in Oman. It provides a very high level summary of Oman’s economic and legal frameworks and highlights important factors which should be considered before investing in Oman.

This handbook should be used as an introductory research tool and not in place of detailed professional advice specific to your business requirements. For that you can contact Ithraa and KPMG who can provide a complete range of quality investment, business, tax, and legal advice to meet your specific requirements.
The Sultanate of Oman is the third largest country on the Arabian Peninsula, with a total area of 309,500 square kilometers (approximately 120,000 square miles) and a coastline which stretches for over 3,000 kilometers overlooking the Arabian Gulf, the Sea of Oman and the Arabian Sea.

Oman is strategically located at the junction of three of the world’s largest continents - Africa, Europe and Asia. Poised at the entrance to the Arabian Gulf, the source of two-third of the world’s oil exports, Oman sits on East-West trade routes, ensuring easy access to markets in the Middle East, India, South-East Asia, Africa and Europe. It offers significantly shorter supply chains and shorter ‘on water inventories’ than other GCC ports and offers easy access to four of the world’s prime markets – India, the European Union, Africa and China.

The Sultanate borders Saudi Arabia and the United Arab Emirates to the west and the Republic of Yemen in the south, with the Straits of Hormuz to the north and the Arabian Sea to the east.

Muscat, the capital of the Sultanate, is in the northern part of the country. The country is divided into nine administrative regions Muscat, Batinah South and North, Dakhliyah, Dhahirah, Sharqiyyah South and North, Wusta, Dhofar, Musandam and Buraimi. It has 61 provinces known as wilayats.

The climate in Oman is generally hot and dry, especially during the summer months between May and August when temperatures can exceed 40 degrees centigrade. From September to April, it is pleasant with temperatures ranging from 20 to 35 degrees. Rainfall is generally low and irregular with the exception of the Dhofar Region in the South, which receives monsoon showers from June to September.

Arabic is the official language of Oman. English is widely spoken and used in the business sectors. Islam is the official religion of Oman. Omanis are tolerant towards believers of other faiths who are allowed to practice their religion.

The head of state is His Majesty Sultan Qaboos bin Said. Oman’s bicameral legislature, referred to as Majlis Oman (the Council of Oman), comprises the Majlis al Dawla (the Council of State) and the Majlis al Shura (the Consultative Council). Majilis Al Shura members are elected by direct ballot with a term of four years.

The Sultanate of Oman has successfully pursued a policy to integrate with the global community. It is a member of the United Nations, the Arab League and the Gulf Cooperation Council. Oman has consistently ranked first in peace and stability in the Middle East and ranks high in economic freedom among all the Arab countries.
WHY INVEST IN OMAN?

Many international analysts see Oman as an ideal long-term investment opportunity. Our top 10 reasons to invest in Oman:

**Strategic location**
At the centre of the east-west nexus joining markets in Europe, Asia and North America in addition to close proximity to Africa.

**Political and economic stability**
Monarchy led by his Majesty Sultan Qaboos who commands popular support. Sound economic management – strict control over public debt, inflation and rate of exchange

**Diversification**
Government focus on diversification, industrialisation and privatisation to reduce reliance on hydrocarbon revenues.

**Transparent legal system**
Investor-friendly legislative environment.

**Trade agreements**
Signatory to WTO, GCC common market, GAFTA, FTAs with USA, Singapore, Iceland, Norway, Switzerland and Lichtenstein.

**Foreign ownership**
100% foreign ownership in free zones and 70% in most sectors.

**Taxation**
0% personal income tax rate, low income tax rates for companies and double taxation relief treaties available with many countries.

**Capital and profit repatriation**
No restriction on capital or profit repatriation, currency exchanges or dividend transfers.

**Custom exemptions**
Exemptions on import of plant, machinery and raw materials for 5 years from commencement of production.

**Infrastructure**
Modern infrastructure with good roads, airports, sea ports and communications.
KEY INDUSTRIES

Oman’s key sectors are helping shape the Sultanate and drive the economy. Ithraa - Oman’s government body for promoting inward investment - has created a series of films highlighting opportunities in each of these sectors which can be viewed at www.ithraa.om.

OIL AND GAS

Oman is an important producer of oil and gas. Commercial quantities of oil were first found in Yibal in April 1962 and oil was first exported from Oman in July 1967. Oil is now produced from over 130 different fields and close to 6000 wells. Oman uses enhanced oil recovery techniques to boost production. The oil and gas industry continues to play a major role in the country’s economy. The sector remains the largest in Oman and it is still growing. In recent years, Oman has developed a successful program to boost oil output to meet increasing domestic demand, and which has attracted foreign investment and partnerships.

MARBLE AND STONE

The size of the global construction industry is expected to rise by more than 70 percent to US$15 trillion - 13.5 percent of global GDP - by 2025. By 2030, it is estimated that more than 55 percent of Asia’s population will live in cities. The building industry in these emerging markets is booming, resulting in a sharp rise in demand for Oman’s marble and stone. Today, from office buildings and airports to hotels, metros and private homes, Omani stone and marble has a global presence.

TRAVEL AND TOURISM

Oman’s tourism sector is growing quickly, reflecting the country’s appeal to regional and international tourists. Famed for its culture and hospitality, Oman offers diverse experiences for visitors and residents alike. From its maritime heritage to its miles of golden beaches and from its green inland wadis to its deserts and mountains, Oman is truly unique. The World Travel and Tourism Council (WTTC) suggests travel and tourism will contribute RO1.34 billion to Oman’s GDP by 2026. The World Economic Forum’s 2015 Travel and Tourism Competitiveness Index ranked Oman sixth in the Middle East and North Africa. The completion of the Oman Exhibition and Convention Centre, the new Muscat International Airport and the introduction of Salam Air, Oman’s new budget airline, will give the tourism sector further impetus.

LOGISTICS

The Sultanate’s strategic location, its access to markets, trained talent and significant public and private investment in industrial estates, free zones, and infrastructure suggest Oman could become the dominant entry and exit point for goods destined for the Gulf, Asia and Africa and a transit point for east-west trade.
MANUFACTURING

Exporting to over 140 countries and attracting significant domestic and foreign investment, Oman’s manufacturing base continues to evolve. By 2025, a new global consuming class will have emerged and most consumption will take place in developing markets near Oman. This will create new opportunities for the Sultanate’s manufacturing sector.

CREATIVE INDUSTRIES

The creative industries are one of the fastest growing sectors of Oman’s economy. Fashion designers, film makers, jewellers, architects, artists, software designers and photographers are generating wealth, attracting investment and creating jobs. They are key to Oman’s cultural and economic progress in an increasingly competitive global economy. Oman is passionate about harnessing the catalytic potential of the Sultanate’s creative industries - an increasingly important sector.

PETROCHEMICALS

Oman is capitalising on its petrochemicals potential with significant downstream projects. Oman’s petrochemicals industry will help stimulate private sector investment, diversifying and expanding the national economy. Takamul Investment Company, a subsidiary of Oman Oil, is planning to set up two large petrochemical projects in Sohar and Salalah.

FOOD PROCESSING

Rapidly expanding populations, increasing tourism, rising disposable income levels and urbanisation are all contributing to a rise in food and beverage consumption across the GCC. The region is eating more than it ever has done and, in response, Oman is ploughing significant public and private sector investment into the Sultanate’s food processing, packaging, agriculture and fishing sectors.

EDUCATION AND TRAINING

In 2015, the Omani government invested US$7.7 billion in education as part of a broader bid to provide its youth with the skills and qualifications needed to work effectively in the modern economy. The government is committed to fostering greater commercial engagement and partnerships with the private sector, helping deliver an education and training sector that serves the needs of a fast moving and competitive economy.

AGRICULTURE AND FISHERIES

While Oman is an increasingly important regional food producer, strong logistics networks also make it a leading food re-exporter. Oman exports significant amounts of its own produce, most of which is grown in January, February and March. Diverse regions – Oman’s mountains and plains – are associated with different produce – such as potatoes, wheat, barley, peaches, pomegranates, figs, tomatoes, onion and garlic. With over 3,000 kilometers of coastline on four different bodies of water – the Arabian Gulf, the Gulf of Oman, the Indian Ocean and the Arabian Sea - Oman’s fish reserves are among the largest in the world. The government continues to invest significantly in the fisheries sector and is keen to encourage private sector participation.

HEALTHCARE

Oman’s healthcare sector is set to undergo significant expansion, with both the government and the private sector investing in new medical facilities. In 2015, the government set aside US$4.3 billion to fund the sector, developing new healthcare facilities such as the Sultan Qaboos Medical City Complex - a cluster of hospitals anchored by a large general hospital and dedicated facilities set for completion in 2018. The Ministry of Health is currently embarking on important health projects, valued at US$189.6 million.

METALS AND MINERALS

Oman’s mineral and metals industry is expected to continue to grow. Work is underway to create “investment ready” packages to boost investment in the mining sector. International investors such as Brazil’s Vale, the UK’s Tri- Star Resources, India’s Jindal Steel & Power Ltd and Canada’s Rio Tinto Alcan are already present in Oman.

INFORMATION AND COMMUNICATIONS TECHNOLOGY (ITC)

Oman’s ICT community is maturing as the number of international and domestic tenants at the Knowledge Oasis Muscat (KOM) increases to serve the Sultanate’s growing technology needs. KOM is home to the Information Technology Authority and an array of multinationals, SMEs, start-ups, a thriving business incubator program and over 6,000 IT undergraduates attending the Middle East College of Information Technology and the Waljat Colleges of Applied Science.
DOING BUSINESS IN OMAN

CORPORATE STRUCTURES

There are usually no restrictions on setting up a business in Oman. Businesses in certain sectors - banking and finance, insurance, tourism, telecommunication, industrial factories, mining, food and beverages, schools, hospitals and employment agencies - require a specific license or permit to operate.

Legal structures

The commonest ways of doing business (apart from individuals carrying on business as a proprietorship) are as a:

- Locally incorporated company
- Partnership
- Joint venture
- Branch of a foreign company

Locally incorporated companies

There are three types of locally incorporated company:

- Limited liability company (LLC) – the most common form of Omani company
- Closed joint stock company (SAOC)
- Publicly held joint stock company (SAOG)

- A foreign company is generally allowed to hold up to 70% of an Omani company’s share capital. Higher ownership is possible where Oman has agreed a free trade agreement (FTA), such as the FTA with the US. LLCs’ profit sharing ratios can differ from their capital contribution ratio.

- The current minimum capital requirement for a foreign-owned LLC is OMR 150,000. If the LLC is wholly owned by Omans or GCC or FTA nationals, the minimum capital requirement is OMR 20,000.

- The minimum share capital required for SAOC and SAOG companies is RO500,000 and RO2 million respectively. Minimum capital requirements are substantially higher for banks, insurance companies and finance and lending companies.

Partnerships

- Formed by two or more people, a general partnership must be registered in the Commercial Register within one month of the execution of the partnership agreement. Its name must show that it is a partnership. Partners may not transfer their interest without the approval of all the other partners. The death, insanity, or bankruptcy of a partner dissolves a partnership unless the remaining partners all agree to continue.

- A limited partnership consists of one or more partners with unlimited liability, and one or more partners whose liability is limited to the extent of their contributed capital. Its name must be followed by the words “limited partnership”.

Sole proprietorships (SPs)

- Generally, only Omani nationals can set up an SPC, although GCC nationals can open SPCs for certain activities.

Joint ventures

- A joint venture (JV) is usually established through a formal joint venture agreement and is formed by two or more parties for specific projects.

- As a private arrangement, a JV has no legal status and is not registered in the Commercial Register. An Omani partner must own at least 51% of any JV.

Branches of foreign companies

- While foreign enterprises can set up representative offices, their scope is very limited.

- A foreign company is only allowed to operate as a branch if the project is carried out under a contract or agreement with the government (or a quasi-government organization), or is established by a royal decree, or the project is declared necessary by the Cabinet of Ministers.

- A branch registration is valid only for the duration of the project.

- A branch structure enables a foreign company to retain 100% of the business and does not dilute control of its operations or assets.
TAXATION

• All taxable entities must register with the Ministry of Finance’s Secretariat General for Taxation and obtain a tax file number.

• Oman’s income tax law provides a uniform tax rate of 12% for all companies, irrespective of the company’s form, the nationality of its shareholders or its level of taxable profits. Profits of up to OMR 30,000 are tax exempt.

• Taxpayers must submit a provisional return of income (PRI) within three months of the end of the applicable accounting period and pay their estimated income tax liability at the same time.

• Taxpayers must also submit a final return of income (FRI) within six months of the end of the applicable accounting period. Any additional tax must also be paid then. The FRI must be accompanied by audited financial statements.

• Oman’s income tax law requires taxpayers to keep registers, books of accounts and supporting documents for a minimum period of 10 years from the end of applicable accounting period.

• Executive regulations have specified certain criteria for exempting small companies from the compliance process.

Tax exemptions

• Oman’s tax law provides five-year tax exemptions - which can be extended by a further five years if certain conditions are met – for Omani companies engaged in specified activities.

• Certain activities, as well as income realized by Omani investment funds or foreign investment funds dealing with Omani securities, are exempt from tax.

Personal taxes

• There is currently no personal income tax in Oman. Omani employees are entitled to social insurance against old age, disability and death, as well as occupational diseases and work injuries.

• Contributions are computed on gross salaries - the employer’s contributions is 11.5% and the employee’s contribution is 7% - and paid monthly.

Withholding taxes

Taxes must be withheld where specified categories of payment are made to a foreign company (provided the payment is not attributable to an Omani permanent establishment of the said foreign company).

A withholding tax return must be submitted to the tax department by the fourteenth day of the month after the specified payment was made or credited to the foreign company’s account. Payment of the withholding tax is due on the same date.

Specified cross border payments subject to withholding tax are:

• Royalties
• Management fees
• Consideration for carrying on research and development
• Consideration for the use, or right to use, computer software

Withholding tax is calculated as 10 percent of the gross payment. There is no withholding tax on dividends or interest payments.

ANTICIPATED AMENDMENTS TO OMAN’S TAX LAW

The Omani government is currently amending the tax law. One likely amendment is an increase in the tax rate to 15%. Another possible change is to widen withholding tax to cover technical services.

Double Taxation Avoidance Agreements (DTAAs)

As of May 2016, Oman has DTAAs with: Algeria, Belarus, Belgium, Brunei, Canada, China, Croatia, Egypt, France, India, Iran, Italy, Japan, Lebanon, Mauritius, Moldova, Morocco, Pakistan, the Netherlands, Russia, Syria, Sudan, the Seychelles, Singapore, South Africa, South Korea, Spain, Thailand, Tunisia, Turkey, the United Kingdom, Uzbekistan, Vietnam and Yemen.
Indirect taxes

Customs

• The GCC has a common customs duty regime which imposes a flat 5 percent customs duty on the majority of goods entering the GCC.

VAT and other taxes

• Oman currently applies no property, value added (VAT) or sales taxes.

• Stamp duty - a registration fee - at 3% is charged when purchasing real estate.

• The Oman government is working with other GCC countries to develop a common VAT framework with introduction penciled in for 2018. Current proposals include a low (5 percent) rate, some exemptions and a high registration threshold.

Municipal tax

• Landlords pay a municipality tax, based on the annual rent amount.
FREE ZONES

Oman has a number of economic zones and industrial estates which allow 100% foreign ownership. They often benefit from other investment incentives such as tax holidays and duty exemptions. Below are the key free zones in Oman:

<table>
<thead>
<tr>
<th>Special Economic Zones</th>
<th>Free Trade Zones</th>
<th>Commercial Activities</th>
<th>Omanisation requirement</th>
<th>Foreign ownership</th>
<th>Corporate taxation</th>
<th>Capital requirements</th>
<th>Customs duty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duqm</td>
<td>Special Economic Zones</td>
<td>Industrial estates; logistics; tourism; mixed-use development</td>
<td>25%</td>
<td>100%</td>
<td>30-year tax holiday</td>
<td>No minimum investment capital</td>
<td>0%</td>
</tr>
<tr>
<td>Knowledge Oasis Muscat</td>
<td>Special Economic Zones</td>
<td>Information technology services</td>
<td>25%</td>
<td>100%</td>
<td>No incentives</td>
<td>OMR 20,000</td>
<td>None (within GCC)</td>
</tr>
<tr>
<td>Sohar</td>
<td>Special Economic Zones</td>
<td>Steel Manufacturing; trade and logistics; oil and gas; petrochemicals</td>
<td>15% (first 10 years)</td>
<td>100%</td>
<td>25-year tax holiday</td>
<td>No minimum investment capital</td>
<td>0%</td>
</tr>
<tr>
<td>Salalah</td>
<td>Special Economic Zones</td>
<td>Industrial; manufacturing; R&amp;D; logistics</td>
<td>10%</td>
<td>100%</td>
<td>30-year tax holiday</td>
<td>No minimum investment capital</td>
<td>0%</td>
</tr>
<tr>
<td>Al Muzanah</td>
<td>Special Economic Zones</td>
<td>Warehousing; food processing; industrial</td>
<td>10%</td>
<td>100%</td>
<td>30-year tax holiday</td>
<td>No minimum investment capital</td>
<td>0%</td>
</tr>
<tr>
<td>Rusayl</td>
<td>Special Economic Zones</td>
<td>Chemicals, batteries, fibre optics, food processing, garments and textiles, stationary, paints</td>
<td></td>
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<tr>
<td>Sohar</td>
<td>Special Economic Zones</td>
<td>Marble, paper recycling, foodstuffs, detergents, leather furniture, glass &amp; steel bars, engine oils</td>
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<tr>
<td>Raysut</td>
<td>Special Economic Zones</td>
<td>School stationary, box files, food processing, medical supplies, solar heaters, fertilizers</td>
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<tr>
<td>Sur</td>
<td>Special Economic Zones</td>
<td>Natural gas, fisheries, fertilizers</td>
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<tr>
<td>Nizwa</td>
<td>Special Economic Zones</td>
<td>Ceramics, plastics, plywood, tea packaging, mineral water and water tanks</td>
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<tr>
<td>Al Buraimi</td>
<td>Special Economic Zones</td>
<td>Spare parts, paints, plastic, wood, furniture, oil &amp; gas, pharmaceuticals, iron nails, steel cables</td>
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<tr>
<td>Sumail</td>
<td>Special Economic Zones</td>
<td>General industrial activities</td>
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<tr>
<td>Al Muzanah</td>
<td>Special Economic Zones</td>
<td>Warehousing, logistics, food</td>
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</tbody>
</table>

Highly attractive land rents, tax holidays and equipment duty exemptions

The Duqm Special Economic Zone Authority
www.duqm.gov.om
Knowledge Oasis Muscat
www.kom.om
The Port of Sohar
www.portofsohar.com
Salalah Free Zone
www.sffco.com

- Al Muzanah Free Zone
- Rusayl Industrial Estate
- Sohar Industrial Estate
- Raysut Industrial Estate
- Sur Industrial Estate
- Nizwa Industrial Estate
- Al Buraimi Industrial Estate
- Sumail Industrial Estate

Sultan Qaboos Port
www.pscoman.com
Freezone Sohar
www.freezonesohar.com
Port of Salalah
www.salalahport.com
- Muscat International Airport
- Salalah Airport
www.omanairports.co.om
The Sultanate’s banking sector is overseen by the Central Bank of Oman (CBO) which is well respected as a regulator, and is governed by Royal Decree 114/2000 (the Banking Law) and a number of CBO directives. Partly due to the creation of a comprehensively regulated environment by the CBO, as well as the introduction of some precautionary measures, the country escaped the worst of the global credit crunch.

Oman has an active retail and wholesale banking market, in which many financial services companies operate. Shariah-compliant banking has been recently introduced to Oman. A large number of project financings have been successfully completed in Oman over the past fifteen years, although recently deals reliant on cross-border funding have tended to struggle to source finance as a result of tighter world credit markets.

Public joint stock companies (SAOGs) are listed and traded on the Muscat Securities Market (MSM) which is regulated by the Capital Market Authority. The MSM also carries a small numbers of bonds. It is possible for foreigners (non-GCC nationals) to own up to 70% of the shares in SAOGs.

www.cbo-oman.org

**EXPORT CREDIT GUARANTEE AGENCY**

The Export Credit Guarantee Agency (ECGA) promotes the growth of Omani non-oil exports by providing export credit insurance to exporters. The export credit policy minimises risks for exporters by covering both country risk and buyer’s risk. Export credit policies help exporters with export financing as credit can be assigned to the financing bank as additional collateral.

www.ecgaoman.com

**EMPLOYMENT LAW**

Labour and employment matters in Oman are mainly governed by the Omani Labour Law, issued by Royal Decree 35/2003, and amended subsequently by various royal decrees.

- The law applies to all private sector employees, irrespective of industry or nationality, and sets out the legal framework for employment contracts, the rights and responsibilities of employers and employees, and employee benefits.

- The law is not the sole source of employment law and regulation in Oman, as it has been supplemented by various Ministry of Manpower decisions that address other matters, such as the minimum wage.

- The Ministry of Manpower has introduced an Omanisation system, requiring employers to achieve a certain percentage of Omani employees. This percentage varies depending on the business sector. Compliance enables the employment of non-Omani staff.

**THE PUBLIC AUTHORITY FOR INVESTMENT PROMOTION AND EXPORT DEVELOPMENT (ITHRAA)**

Ithraa is tasked with helping secure Oman’s long-term prosperity. From developing ports, free zones and industrial areas to science and technology parks, Ithraa supports the Sultanate’s efforts to create new and deeper business ties with dynamic and fast-growing organizations and economies across the globe.

- **Export advice**
  Whether you are looking to set-up in Oman or are an existing Oman-based firm seeking advice on export markets, Ithraa will work with you to ensure that your individual business requirements are met.

- **Research**
  Bespoke research to support business plan development and expansion

- **Property advice**
  From industrial estates and free zones to offices and technology parks

- **Networking**
  Ithraa identifies opportunities to add value to your business by engaging with Oman-based investors, government departments, industry bodies, professional intermediaries, universities and strategic partners.

www.ithraa.com
ONLINE PORTALS

INVEST EASY

Over a dozen government organizations systems are integrated onto www.business.gov.om, an initiative from the Ministry of Commerce and Industry to help set up and manage companies in Oman:

- Fast and efficient licensing and registration process
- A single online entry point for the business community to access government services and information
- Flexible, easy and transparent interaction between businesses and the government.

E-WORK PERMITS

The Ministry of Manpower has set up an electronic work permit service to streamline and accelerate the work permit application process. Employers can now apply for work permits online at www.manpower.gov.om and view progress without leaving their desks.

BAYAN

Bayan (www.customs.gov.om) is an online one-stop service provided by the Directorate General of Customs at the Royal Oman Police (ROP). The system links the commercial and industrial sectors, clearance and shipping companies, importers and exporters to the Directorate General of Customs to facilitate imports.

E-VISA

Visitors can now apply online for a visa through the Royal Oman Police (ROP) website (www.rop.gov.om), speeding up applications for new visas and the renewal of residence visas.

REAL ESTATE

Oman’s construction and real estate sector is a primary economic driver and has grown robustly over the past decade.

Population growth, changing occupier trends, the opening up of the real estate sector to foreigners, straightforward finance arrangements and increased infrastructure spending by the government have all contributed to strong real estate demand across the country.

RESIDENTIAL REAL ESTATE

Before 2002, Oman’s residential market largely comprised of leasehold properties, with ownership rights limited to Omani nationals.

The opening of ownership to GCC nationals in 2002 and then to all nationalities in 2006 in integrated tourism complexes (ITC projects) has changed the residential landscape of the country.

Demand for housing is likely to increase as Oman’s population is predominantly young.

INTEGRATED TOURISM COMPLEXES (ITCs)

ITC projects enjoy certain benefits:

- 100% freehold property ownership – with foreign and corporate ownership allowed
- Joint ownership by two first degree relatives allowed
- Inheritance laws of the buyer’s domicile apply
- Oman residential visa for property buyers and their first degree relatives
- Multiple-entry visit visa for the property buyer during construction
- No registration fees for the first transfer of ownership
BUYING PROPERTY IN OMAN

The Ministry of Housing supervises all real estate matters in Oman. The Land Registration Department within the ministry maintains real estate records such as transfers of ownership, registrations of usufruct rights and mortgages. Transfers of ownership and registrations of interest in land are subject to administrative fees.

Omanis can own freehold real estate unconditionally within Oman.

Other nationalities - whether natural or juristic - can buy and own real estate in integrated tourism complexes (ITCs), according to Royal Decree 12/2006.

FINANCING

Almost all banks in Oman – both conventional and Islamic – offer housing and real estate financing products. These include HSBC Oman, Bank Muscat, the National Bank of Oman, Oman Arab Bank, Bank Nizwa, and the Bank of Beirut.

To deter speculative investments, banks are only allowed to finance up to 80% of a real estate investment. To prevent overextensions, total loan repayments can’t exceed 60% of the borrower’s monthly income.

To overcome issues with off-plan properties, banks usually enter into a supplemental agreement with all three parties (the buyer, the developer and the bank).

PROPERTY LEASES

Royal decree 6/89 – which regulates the tenancy of residential, commercial and industrial premises – gives real estate owners the right to lease their property.

Tenancy agreements must be registered with the concerned municipality – and, if the term exceeds seven years, with the Ministry of Housing.

When a tenancy agreement expires, it should be renewed within a month. Failure to either register or renew a tenancy agreement renders it null and void.

Either the tenant or landlord can give three months’ notice - although the landlord also has the right to terminate the lease under certain conditions.

Tenants are liable to pay utilities bills during the term of the tenancy agreement, unless agreed otherwise, and are required to return the leased property free of any damages at the end of the lease period. Tenants must repair any damages to the property resulting from misuse.
Al Mouj Muscat reflects the shared vision of the Government of Oman and the prominent Middle East developer Majid Al Futtaim to establish an all-encompassing, world-class Integrated Tourism Complex (ITC) set along the Muscat city coastline, deserts and mountains of “The Pearl of Mystic Arabia”.

Inspired by Oman’s rich history, its seafaring traditions and its warm authentic culture, Al Mouj Muscat has been designed as a vibrant cosmopolitan, beachfront residential community, making it truly distinct from the rest of the Arabian Peninsula.

Al Mouj Muscat has translated the traditional Omani lifestyle into a model, practical and adaptive master plan embracing new standards for quality, design, amenity, and construction. As the Sultanate’s first integrated resort and residential development, incorporating more than 5,000 new homes, a 400 berth marina, a regionally celebrated 18 hole PGA championship golf course, premier international hotels and new retail, leisure and dining opportunities, Al Mouj Muscat has something for everyone. Al Mouj Muscat offers a unique opportunity - the following reasons make it a preferred destination for both residents and investors:

- **Prime Location**
  Oceanfront living at the heart of the country’s thriving capital city and just 10 minutes’ drive from the international airport.

- **World Class Amenities**
  From award-winning luxury homes and landscaped parks to the Greg Norman designed 18 hole championship Al Mouj golf course, The Walk retail centre and its majestic marina, Al Mouj Muscat has it all.

- **International Award Winner**
  Al Mouj Muscat has been showered with more than 20 international awards for its quality of design, build and facilities.

- **ITC Status**
  As the first ITC project in Oman, both Omani and non-Omani buyers enjoy freehold ownership of their Al Mouj properties and can apply for residency for themselves and their first degree relatives.

- **Guaranteed Delivery with Impeccable Finishing**
  More than 1,600 top quality residential units have already been delivered. The golf course and the marina are operational and have won international awards. 70 retail and F&B outlets are operating. Two hotels are currently being built. Strict sign off processes have been put in place before properties are handed over to owners by Al Mouj, one of the region’s few ISO accredited developers.

- **Sustainable Development**
  Enhanced wall insulation, sun-resistant windows and district cooling are standard, and carbon footprints have been minimised by using local building materials. A 150-meter reef barrier has been submerged to stimulate and enhance marine growth.

- **Diverse Community**
  A destination that defines cultural diversity, Al Mouj Muscat plays home to more than 70 nationalities and is constantly growing.

- **Strong Backing**
  The long term commitment and aligned vision of the government of Oman and Majid Al Futtaim has enabled Al Mouj Muscat to become a market leader and set a benchmark for regional ITC projects.