

# Workshop on Value Added Tax (VAT) Registration in Oman

April 2021



# Contents

1

**Let us understand VAT**

2

**Who should take registration under VAT?**

3

**VAT registration process for those having Commercial Registration Number (CRN)**

4

**VAT registration process for those not having CRN**

5

**Other important information about registration**



# Let us understand VAT



# What is VAT?

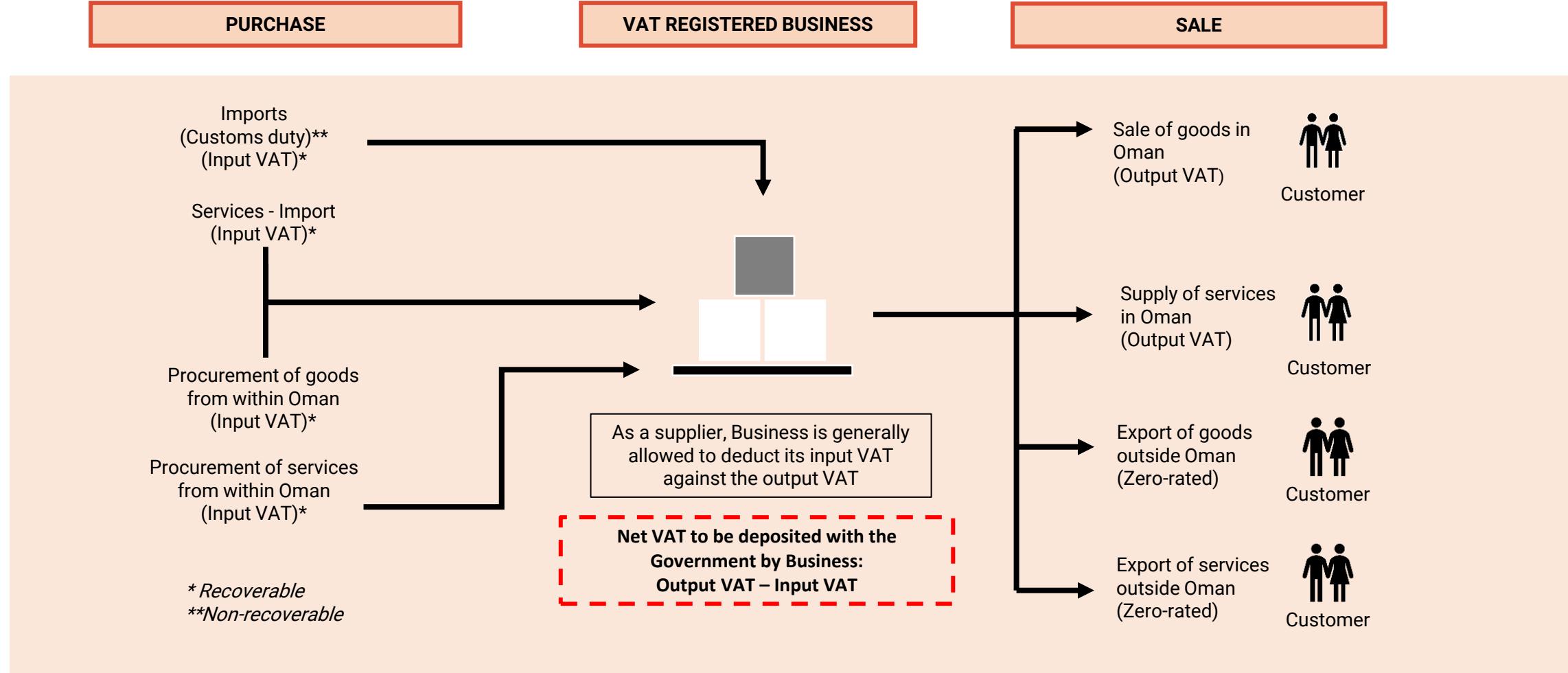
- There are two types of taxes – direct tax and indirect tax
- VAT is an indirect tax, meaning it is not a tax that you need to pay out of your pocket
- In VAT you are responsible for collecting the tax from your customers and depositing it with the Government
- While depositing the VAT collected from customers with the Government, you can deduct the tax paid by you on purchases (we call it input VAT or recoverable tax or deductible tax)
- Thus, total VAT that you will need to deposit = tax on sales – tax on purchases (input VAT)
- On most of your sales and expenses in Oman, VAT will be calculated @ 5%, except:
  - supplies covered in the list of zero-rated (specified food products etc.)
  - supplies that are exempt (e.g., transportation of passengers in Oman)
- You will not be required to charge any VAT when exporting any goods or services to a person located outside Oman
- On any import of goods or services, instead of the supplier located outside Oman, you will be liable to deposit VAT with the Government

# Let us understand the calculation of VAT



Net VAT to be deposited with the Government by Business after each period = OMR 1  
i.e., Output tax (OMR 6) – Input tax (OMR 5)

# This is how VAT works





# When should you apply for VAT registration?



# There are four phases for VAT registration

CATEGORY	ANNUAL SUPPLIES MORE THAN (RO)	ANNUAL SUPPLIES UPTO (RO)	WHEN SHOULD YOU APPLY FOR REGISTRATION?	EFFECTIVE DATE OF VAT
A	1,000,000	No limit	1 February 2021 to 15 March 2021	16 April 2021
B	500,000	1,000,000	1 April 2021 to 31 May 2021	1 July 2021
C	250,000	500,000	1 July 2021 to 31 August 2021	1 October 2021
D	38,500	250,000	1 December 2021 to 28 February 2022	1 April 2022

# Who is required to obtain VAT Registration?

## Mandatory Registration

- If you conduct any commercial, industrial, professional or such activity in Oman, you need to calculate your annual taxable supplies during the following period:
  - Actual taxable supply during the period November 2019 to October 2020
  - Expected taxable supply during the period October 2020 to September 2021
- Then you need to determine the relevant registration phase and apply for the registration as per the specified due dates
- Mandatory registration is not needed if the amount is less than RO 38,500

## Voluntary Registration

- If your taxable supply is less than RO 38,500 but more than RO 19,250 during the above period, you can apply for voluntary registration
- If your taxable supply is less than RO 19,250 then you cannot apply for the registration

### How to calculate Annual Taxable Supply:

- Firstly, calculate the total turnover from sale of goods/ services during the above period (except income from exempt supplies such as dividend, interest, salary income etc.)
- Then add the value Import of goods/ services imported from outside Oman

# Advantages of Taking VAT Registration

- Only after obtaining VAT registration you can:
  - charge and collect VAT @ 5% from its customer by issuing a tax invoice over and above your sale price
  - from the VAT collected, you will be able to deduct the VAT paid on expenses (including VAT paid on import of goods/ services)
- Thus, by taking registration and deducting the VAT paid on expense from the VAT collected on sales, you do not bear the cost of VAT paid on expenses
- VAT charged by you from your customer would also not be a cost to the customer if the customer is also registered under VAT (because such customer will also deduct the input VAT from output VAT)
- Large businesses prefer to purchase from VAT registered business to optimize their tax cost
- VAT still needs to be paid on import of goods from outside Oman, even if VAT registration is not obtained – increases the cost of imports
- Thus, from VAT cost point of view businesses that are registered under VAT are in a better position than the businesses not registered under VAT

You should consider taking registration out of turn or voluntary registration in order to remain in the VAT chain and avoid any blockage of input VAT credit



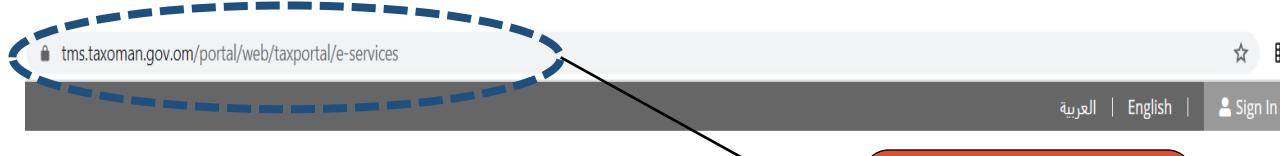
# VAT Registration Process for those having CRN



# How can you apply for VAT Registration?

- You need to file an application with the Tax Authority for obtaining VAT registration
- Based on the application, a unique number will be granted for your business (registration number)
- After taking registration, from the effective date you will become responsible for collecting and depositing VAT with the Government
- You should inform VAT Registration number to all your suppliers so that they can mention this number on their invoices (along with your name and address)
- Once VAT registration number is granted, you will be required to do the following compliances:
  - Raise Tax Invoice to your customers in a specific format
  - Your tax invoice should clearly mention your VAT Registration number
  - You will be required to charge and collect 5% VAT on the Tax Invoice from the customer
  - The net VAT liability (i.e., output VAT *minus* input VAT) should be deposited with the Tax Authority by the due date
  - You will also be responsible to submit VAT return with the Tax Authority by the due date
  - There will also be responsibility of maintaining proper books of accounts and records for VAT purposes

# Registration Process: Persons with CRN

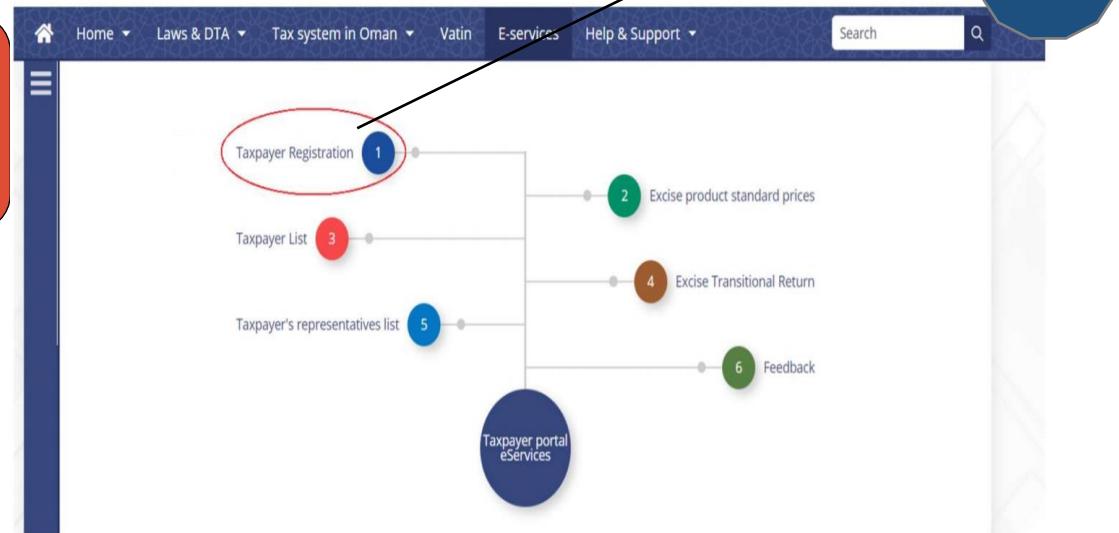


Website Link for  
Oman Tax Portal



Sign in to use  
eServices

Select and Sign  
in using the Login  
credentials of your  
business entity



# Registration Process: Persons with CRN

3

## Taxpayer Registration

In order to register taxpayer, you must be authorized signatory of the corresponding taxpayer. Please enter the Commercial Registration No. of the taxpayer you wish to register.

Insert CRN of your entity and select 'Register'

4

**Taxpayer Registration**

\* Commercial Registration No.:  **Register**

\* Type of Registration:

**Cancel** **Continue**

Select 'Value Added Tax Liability Registration' from the drop-down list and click on 'Continue'

# Registration Process: Persons with CRN

5

## Details of the Taxable Person

Commercial Registration No.:

TIN:

EXTIN:

Customs Identification Number:

\* Legal name:

Legal name in English:

Trade name:

\* Legal form of the business:

Special zones registration:

Customs suspension situations:

\* Business address:

\* Contact phone:

Contact e-mail:

## Details of the Principal Officer

\* ID:

\* Name:

\* Designation:

Insert Legal Name and  
business form

Insert your business  
address and contact  
details

Insert details of Principal  
Officer i.e., Responsible  
Person of the entity from a  
VAT Law perspective

# Who is a Responsible Person?

Category of Tax Person	Responsible Person
Sole proprietorship	Owner or Manager in charge
One Person Company	Owner or Manager in charge
General Partnership or Limited Partnership	Partner or manager in a company
Joint Venture Company	The manager approved by the partners to undertake the Company's management activities, whether from among the partners or a third party
Joint Stock Company (SAOC or SAOG)	<ul style="list-style-type: none"> <li>Either Chairman of the board of directors, or</li> <li>Director / Manager authorized by the board of directors</li> </ul>
Limited Liability Company	Company's manager or the person responsible for management
Fixed Establishment	Owner or manager or agent

# Registration Process: Persons with CRN

6

Taxpayer Registration (Widget Page)

Details of the Business Activity

Main Activity	Activity	Date of Commencement of Activity	Date of Termination of Activity
No	011101:Growing of cereals (wheat, corn, barley etc.), except rice	2017-12-28	<a href="#">Edit   Remove</a>

[Add new activity](#)

Select to mark activity as main or add more activities

7

Activity

Main Activity:

\* Activity: [Find](#)

\* Date of Commencement of Activity:

Date of Termination of Activity:

[Add and New](#) [Add and Close](#)

Check the 'main activity' box

Fill the details of activity and its date of commencement

Select 'Add and close' to proceed

# Registration Process: Persons with CRN

8

## Application for the Tax Registration Number

**Do you have Place of Residence in Oman?**  
(Yes/No):

Yes  
 No

Details of entity to be selected

**Did you exceed or do you expect to exceed the Mandatory Registration Threshold of OMR 38,500?:**

Yes  
 No

Opt for mandatory registration and mention the date of crossing threshold

**The (expected) date of exceeding the threshold is:**



**Annual taxable supplies in Oman:**

Over 1,000,000 OMR  
 500,000.001 - 1,000,000 OMR  
 250,000.001 - 500,000 OMR  
 38,500 - 250,000 OMR

Mark the relevant annual taxable supplies in Oman

**Did you exceed or do you expect to exceed the Voluntary Registration Threshold of OMR 19,250?:**

Yes  
 No



**The (expected) date of exceeding the threshold is:**

*After filling the above details, save the application on the tax portal*

# Registration Process: Persons with CRN

## New Registration of VAT Liability

9

Saved as draft. Please submit the document

Document No.:	Document Date: 28/01/2021	VATIN   Person:
Document Type: Registration of VAT liability	Document Status: Draft	
<a href="#">Application Form</a> <a href="#">Attachments</a> <a href="#">Status History</a>		

Select 'Attachments' panel

## Details of the Taxable Person

[Print Application](#)

### Attachments

10

Document No.:	Document Date: 17/01/2021	VATIN   Person:
Document Type: Registration of VAT liability	Document Status: Draft	
<a href="#">Application Form</a> <a href="#">Attachments</a> <a href="#">Status History</a>		

Click on 'Add new Attachments' to attach the mandatory documents

### Attachments

Mandatory	Attachment Name	Number of items
*	Copy of business registration and trade license	0
*	Copy of Identity Card / Passport of Principal Officer	0
	Application	1

[Add new attachment](#)

# Registration Process: Persons with CRN

**11**

**Add Attachment**

\* Attachment Type:

\* Attachment Name:

\* Document File:  No file chosen  
The maximum file size is 10 MB  
Accepted file formats are PDF, JPG, JPEG

Fill the attachment details and ensure that the attached file size **does not exceed 10 MB and is in the following formats viz. pdf, jpg or jpeg**

**12**

**Bank details**

Bank account number to be used for VAT refund purposes:

Name of account holder:  
Address of account holder:

Name of the bank:  
BIC/Swift of the bank:  
Address of the bank:

Add the Bank account details of the entity

Click on 'Submit'

# Registration Process: Persons with CRN

## Bank details

Bank account number to be used for VAT  
refund purposes:

13

Name of account holder:

Address of account holder:

Name of the bank:

BIC/Swift of the bank:

Address of the bank:

[◀ Back to list](#)

Print Decision

Select 'Print Decision' to proceed

14

## Taxpayer

Print VAT Certificate

Select to print the VAT  
Certificate of the entity



# VAT Registration Process for those not having CRN



# Registration Process: Residents with no CRN



## طلب التسجيل في ضريبة القيمة المضافة للشخص المقيم الذي ليس له رقم سجل تجاري

## VAT Registration Application Form

For residents with no Commercial Registration Number

### Instructions:

1. Please fill this form electronically
2. Send form in excel format to VAT@taxoman.gov.om attaching required documents
3. Attach the following documents to the email:
  - a) details of actual or expected annual supplies
  - b) details of actual or expected annual expenses
  - c) copy of identification of principal officer (passport, residency card or ID)
  - d) proof of conducting activity in Special Zone or customs suspension situations
4. The Tax Authority reserves the right request additional information and documents

- You would need to fill the form in excel format (no online filing) and submit along with the requisite documents to the Tax Authority through e-mail at this email id: [vat@taxoman.gov.com](mailto:vat@taxoman.gov.com)
- Document/ information details required for VAT registration of persons with CRN and residents with no CRN is primarily the same
- Declaration stating that the details shared are correct should be signed and submitted
- Tax Authority may seek additional document/ information



# Other important information about registration



# Other important aspects about VAT registration

- VAT Registration Certificate must be clearly displayed by you at **every location in which activity is conducted, like head office, branch, stores, etc.,**
- One VAT Identification Number should be obtained regardless of the number of branches and activities
- VAT Identification Number should be mentioned on all documents like your tax invoices, communication and other documents issued by you
- VAT Registration Certificate would contain important details like effective date of registration, tax period – generally quarterly
- You should inform the Tax Authority in writing about any changes in the data submitted in VAT registration application within 30 days from such changes

# To summarize...

- You should first assess the requirement of obtaining VAT registration based on:
  - taxable turnover (including imports of goods/ services)
  - nature of your customers
  - input VAT cost on expenses (i.e., purchase of goods or services)
- Then you should apply for VAT registration within the prescribed timeframe to avoid any penalties
- Once you obtain the VAT registration, you must:
  - intimate VAT registration number to all your customers and vendors
  - start charging and collecting VAT on all invoices raised to your customers after the date from when the VAT registration is effective
  - ensure that all your vendor invoices contain your VAT registration number and other details
  - maintain appropriate documents/ records like original purchase and sale invoices, books of accounts etc.
  - start doing VAT compliances like payment of VAT, filing of VAT returns on a timely basis

# Questions and Answers



# Thank You

Contact us:

Tel: +968 (0) 24061000

Email:

[info@moore-oman.com](mailto:info@moore-oman.com)

[tax@moore-oman.com](mailto:tax@moore-oman.com)



# Disclaimer

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