

**Note: In case of any discrepancy between the meaning of the Arabic and English Version of this MOU, the meaning of the Arabic version shall prevail**



The Foreign Capital Investment Law  
Promulgated by  
Royal Decree 50/2019

Translated by  
Ministry of Legal Affairs

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**Royal Decree 50/2019**  
**Promulgating the Foreign Capital Investment Law**

We, Qaboos bin Said, the Sultan of Oman

after perusal of the Basic Statute of the State promulgated by Royal Decree 101/96,  
and the Commercial Agencies Law promulgated by Royal Decree 26/77,  
and the Law on Expropriation for Public Interest promulgated by Royal Decree 64/78,  
and the Law on Organising and Promoting the Industry promulgated by Royal Decree 1/79,  
and the Land Law promulgated by Royal Decree 5/80,  
and Royal Decree 5/81 Regulating the Usufruct of the Lands of the Sultanate,  
and the Commercial Law promulgated by Royal Decree 55/90,  
and Royal Decree 57/93 promulgating the Provisions Governing Gulf Investment,  
and the Foreign Capital Investment Law promulgated by Royal Decree 102/94,  
and the Financial Law promulgated by Royal Decree 47/98,  
and Royal Decree 67/2003 Applying the Unified Customs Law of the Cooperation Council for the  
Arab States of the Gulf,  
and the Law (System) of the Standard Industrial Organisation of the Gulf Cooperation Council for  
the Arab States of the Gulf promulgated by Royal Decree 61/2008,  
and the Income Tax Law promulgated by Royal Decree 28/2009,  
and the System of the Public Authority for Investment Promotion and Export Development  
promulgated by Royal Decree 35/2012,  
and Royal Decree 11/2017 Determining the Competences of the Ministry of Commerce and  
Industry and Adopting its Organisational Structure,  
and the Commercial Companies Law promulgated by Royal Decree 18/2019,  
and after presentation to Majlis Oman,  
and in pursuance of public interest,

have decreed as follows

**Article I**

The attached Foreign Capital Investment Law shall apply.

**Article II**

The Minister of Commerce and Industry shall issue the executive regulation of the attached law within a period not exceeding 6 (six) months from the date of its implementation, and shall also issue the necessary decisions for the implementation of its provisions, and until they are issued, the decisions in force shall continue to operate to the degree that they do not contradict with its provisions.

### **Article III**

The benefits, incentives, and guarantees granted to investment projects existing at the time of entry into force of the attached law shall continue until their terms expire, in accordance with the laws and agreements derived therefrom.

### **Article IV**

The Foreign Capital Investment Law promulgated by Royal Decree 102/94 is hereby repealed, as well as every provision contrary to the attached law or in conflict with its provisions.

### **Article V**

This decree shall be published in the Official Gazette and shall come into force 6 (six) months after the date of its publication.

**Issued on: 27 Shawwal 1440**

**Corresponding to: 1 July 2019**

**Qaboos bin Said  
Sultan of Oman**

# The Foreign Capital Investment Law

## Chapter One Definitions and General Provisions

### Article 1

In the application of the provisions of this law, the following words and phrases shall have the meaning assigned to each of them, unless the context requires otherwise:

**(a) Ministry:**

Ministry of Commerce and Industry.

**(b) Minister:**

Minister of Commerce and Industry.

**(c) Authority:**

Public Authority for Investment Promotion and Export Development.

**(d) Centre:**

Investment Services Centre in the ministry.

**(e) Competent bodies:**

Government bodies competent with issuing approvals, permits, or licences.

**(f) Foreign investment:**

Using direct foreign capital invested to create, expand, develop, finance, manage, or own an investment project.

**(g) Investment project:**

Any economic activity established in the Sultanate by a foreign investor individually, or in partnership with another foreigner or an Omani.

**(h) Foreign investor:**

Every natural or legal non-Omani person who establishes an investment project in the Sultanate.

**(i) Invested foreign capital:**

All types of assets included in an investment project regardless of type, and which have a financial value, whether monetary, in kind, or intangible.

**(j) Regulation:**

The executive regulation of this law.

**Article 2**

The provisions of this law shall not prejudice the provisions of the royal decree concerning the provisions governing gulf investment, and royal decrees relating to the Special Economic Zone at Duqm, the Public Establishment for Industrial Estates, and free zones.

**Article 3**

It is prohibited for a foreigner, whether a natural or a legal person, to undertake any investment activity in the Sultanate except in accordance with the provisions of this law.

**Article 4**

Assets included in the investment project include specifically the following:

- (a) Currency, financial securities, and commercial papers.
- (b) Machinery, equipment, installations, spare parts, modes of transportation, raw materials, and production means connected to the investment.
- (c) Rights over intellectual or industrial property, trade marks, trade names, patents, publicity, trade secrets, technical processes, and engineering and technological designs.
- (d) Profits of foreign investment if used in increasing capital, expanding existing projects, or establishing new projects.

**Article 5**

The centre shall undertake the registration of the foreign investor, and facilitating and simplifying the procedures for obtaining all approvals, permits, and licences needed for his investment project.

In all cases, the centre and competent bodies shall abide by the prescribed procedures and deadlines for issuing such approvals, permits, or licences, and if no response is obtained within the statutory periods prescribed in the regulation, the request shall be deemed accepted.

#### **Article 6**

Foreign investment shall be carried out by an establishment or a company in a permitted activity by owning the invested foreign capital in whole or by contributing to it, and a licence for this shall be issued from the centre.

#### **Article 7**

The foreign investor shall abide by the timeline submitted by him for executing the investment project adopted in accordance with the economic feasibility study. It is not permitted for him to make any substantial changes to the investment project except after the approval of the ministry.

#### **Article 8**

The investment project shall undertake to protect the environment and matters relating to work ethics, and it shall undertake to preserve public health and safety, in accordance with the laws and regulations in force in the Sultanate.

#### **Article 9**

Notwithstanding international agreements in force in the Sultanate relating to investment and the avoidance of double taxation, the investment project shall be subject to all laws in force in the Sultanate in regard to all that is not governed by a special text in this law.

#### **Article 10**

It is permitted by a decision of the Council of Ministers - based on a recommendation by the minister - to grant an investment project established for strategic projects contributing to achieving the development of the activities of public utilities and infrastructure, or new or renewable energy, roads, transportation, or ports a single approval for establishing, operating, and managing the investment project, including construction and manpower licences, and this approval shall be effective on its own without the need to undertake any other procedure.

The regulation shall specify the conditions and procedures for acquiring this approval.

This approval shall not prejudice the rights of competent bodies to oversee and follow-up to ensure that the investment project abides by the laws in force in the Sultanate.

#### **Article 11**

It is prohibited for the investment project to undertake any activities to achieve political or religious objectives, that involve discrimination between nationals or residents, or that prejudice public order or public morals.

#### **Article 12**

The employees identified by a decision from the competent authority, in agreement with the minister, shall have judicial enforcement status for the application of the provisions of this law.

They shall have the right to enter the sites, facilities, or headquarters of establishments or companies, the authority to monitor and to inspect them, and to view their records, documents, and work regulations, to ensure their conformity with the provisions of the laws and regulations implementing them. The owners and those responsible for the affairs of these establishments and companies shall provide the necessary facilities to enable them to perform their tasks.

#### **Article 13**

It is prohibited to disclose any information relating to the investment opportunity or to the technical, economic, or financial aspects of the investment project that came to the knowledge of an employee by virtue of his employment work.

#### **Article 14**

The list of activities that are prohibited to be undertaken by foreign investment shall be issued by a decision of the minister.

#### **Article 15**

The regulation shall - after coordinating with competent bodies - specify the conditions, controls, procedures, and timelines for issuing approvals, permits, and licences relating to investment projects subject to the provisions of this law.

## **Article 16**

The authority shall undertake the competences of the ministry, and the chairman of its board of directors shall undertake the competences assigned to the minister, and as stipulated in this law, in regard to investment projects that the authority deals with.

## **Article 17**

Omani courts shall have the competence to examine any dispute arising between the investment project and others, and the cases of investment projects shall have urgency status when examined by these courts. It is permitted to resolve differences and disputes by arbitration.

## **Chapter Two** **Foreign Investment Incentives**

## **Article 18**

An investment project shall enjoy all the benefits, incentives, and guarantees enjoyed by a national project in accordance with the laws in force in the Sultanate. It is permitted, by a decision of the Council of Ministers on the basis of a recommendation by the minister, to declare a preferential treatment for a foreign investor in application of the principle of reciprocity.

It is also permitted by a decision of the Council of Ministers to grant a collection of additional benefits to foreign investment projects that are established in the least developed areas in the Sultanate.

## **Article 19**

It is permitted to designate land and real estate required for the investment project through long term leases or by granting a usufruct right over them without adhering to the provisions of the Royal Decree Regulating the Usufruct of the Lands of the Sultanate and the Land Law, and that is in accordance with the rules and provisions specified in the regulation after coordinating with the competent bodies.

The authority shall undertake to coordinate with ministries and bodies competent with specifying locations that are designated in each governorate for establishing investment projects by usufruct right in accordance with this law.

It shall also coordinate with the bodies competent with providing public services such as water, electricity, gas, wastewater, public roads, communications, and others to the boundary of the project.



## **Article 20**

Without prejudice to the provisions of the Unified Customs Law of the Cooperation Council for the Arab States of the Gulf, the regulation shall specify the investment projects that may be exempt from taxes, customs duties, and non-customs duties, and their duration from the date of commencement of the project by providing services or the date of actual production. It shall also specify - after the approval of the Council of Ministers - other benefits that may be granted to investment projects, their duration, and the rules and controls for granting them, including the customs tax on machinery, devices, equipment, instruments, machines, and production inputs imported for the project, or for expanding or developing it, and any other duties due on imports necessary for the purpose of the investment project referred to in article 21 of this law.

## **Article 21**

It is permitted for the investment project to import on its own, or through another, production supplies, materials, machinery, spare parts, modes of transportation required for its establishment, expansion, or operation and that are appropriate for the nature of its activity without the need to be registered in the Importers Register.

The ministry, or competent bodies, shall specify the aforementioned materials that are needed for the investment project on the basis of a request by the foreign investor.

## **Article 22**

Tax exemption for the investment project shall be in accordance with the provisions of the Income Tax Law.

## **Chapter Three** **Foreign Investment Guarantees**

## **Article 23**

It shall not be permitted to confiscate any investment project except with a judicial decision, nor impound its assets, freeze them, or hold them in custody or under guardianship except with a judicial decision.

Taxation debt due to the state shall be exempt from this provision.

## **Article 24**

It is not permitted to expropriate an investment project except for public benefit in accordance with the Law on Expropriation for Public Interest, and in return for fair compensation to be quantified at the time of expropriation. The due compensation shall be paid without delay, and it shall not be permitted to terminate usufruct or lease contracts in cases of the privatisation of land and real estate, except in the cases prescribed by law, or by a judicial decision.

## **Article 25**

It shall not be permitted for competent bodies to revoke the approval, licence, or permit issued for an investment project except by a reasoned decision after warning the foreign investor in writing of the offence attributed to him, hearing his point of view, and providing him a period that does not exceed 30 (thirty) days from the date of his warning to remove the reasons for the offence, and in all cases the opinion of the ministry must be sought prior to revoking the approval, licence, or permit.

## **Article 26**

Notwithstanding the laws in force in the Sultanate, the foreign investor has the freedom to carry out all transfers relating to the investment project from/to outside the Sultanate at any time. Transfers shall include the following:

- (a) Returns of the foreign investment.
- (b) Proceeds from the sale or liquidation of all or part of the investment project.
- (c) Proceeds resulting from the settlement of disputes for the investment project.
- (d) Compensation obtained as a result of the expropriation of the investment project for public benefit.
- (e) Premiums from loans or finances obtained by the investment project from abroad.
- (f) Any transfers for import or export connected to the activity of the investment project.
- (g) Any foreign dues for the rental of machines or service contracts within the framework of the project.

## **Article 27**

It is permitted for the foreign investor - in accordance with the laws in force in the Sultanate - to transfer the ownership of the investment project in whole or in part to another foreign or Omani investor, or transfer it to his partner in case of a partnership, a merger, an acquisition, or transformation of its legal form, and in these cases the treatment of the investment project shall continue in accordance with the provisions of this law, provided that the new investor continues to work on the investment project, and takes the place of the former investor in regard to rights and obligations.

## **Chapter Four Administrative Penalties**

### **Article 28**

The ministry shall notify the foreign investor in writing when he violates any of the provisions of this law, or the regulation and the decisions issued in implementation of it, to rectify the offence within a period not exceeding 30 (thirty) days from the date of receiving the notice. It is permitted to extend the aforementioned period for a similar period if reasons for this exist.

### **Article 29**

If the foreign investor fails to rectify the offence within the period referred to in article 28 of this law, one of the following penalties shall be imposed against him depending on the severity of the offence:

- (a) The deprivation of all or some of the incentives and benefits prescribed in this law.
- (b) Suspending the activity for a period not exceeding 6 (six) months.
- (c) Revoking the licence permanently in case of offence repetition, notwithstanding the provisions of article 25 of this law.

The regulation shall specify the conditions and procedures for imposing any of these penalties.

### **Article 30**

A committee or more shall be established in the ministry to examine grievances submitted from persons concerned against decisions issued by the ministry or the competent bodies.

The committee shall be formed of an advisor in the Administrative Court nominated by the chairman of the court as chair, and a senior judge of the primary court nominated by the Chair of the Council of the Administrative Affairs for the Judiciary and a person of expertise nominated by the Oman Chamber of Commerce and Industry as members, and the secretariat of the committee shall be undertaken by an employee of the ministry.

The membership of the committee, its work system, and the procedures to be followed before it shall be issued by a decision from the minister.

### **Article 31**

Grievances shall be submitted to the committee stipulated in article 30 of this law within 60 (sixty) days from the date of the notification to the person concerned of the decision appealed against or the date he certainly knew of it. The committee may contact the ministry and competent bodies to request clarifications and respond to the queries that it sees necessary to decide on the grievance, and it may also seek the opinion of whoever it deems necessary from various experts and specialists in the ministry and competent bodies.

The committee shall settle the grievance with a reasoned decision within 30 (thirty) days from the date of its submission. It is permitted to extend this period for another similar period and for one time only if the grievance is unfit for examination. The decision of the committee shall be final and binding on the ministry and competent bodies.

It is permitted for the person submitting the grievance to resort to the competent court to challenge the decision.

## **Chapter Five Punishments**

### **Article 32**

Without prejudice to any punishment more severe in any other law, the crimes stipulated in this law shall be punished with the punishments stipulated in it.

### **Article 33**

Every foreigner who undertakes any investment activity in violation of the provisions of this law shall be punished by a fine no less than 20,000 (twenty thousand) Rial Omani and not exceeding 150,000 (a hundred and fifty thousand) Rial Omani, and every Omani who participates with a foreigner in an investment project in violation of the provisions of this law shall be punished by the same punishment.

### **Article 34**

Whoever prevents the employees stipulated in Article 12 of this law from performing their job shall be punished by a fine no less than 1,000 (one thousand) Rial Omani and not exceeding 5,000 (five thousand) Rial Omani.

### **Article 35**

Whoever discloses any information relating to the investment opportunity or to technical, economic, or financial aspects of an investment project that came to his knowledge by virtue of his employment that leads to the loss of that opportunity, or directly affects the investment project shall be punished by imprisonment for a period not less than 6 (six) months, and not exceeding 3 (three) years, and a fine no less than 5,000 (five thousand) Rial Omani and not exceeding 50,000 (fifty thousand) Rial Omani, or one of those two punishments, except in cases where the law permits this or in implementation of a judicial decision or order.

### **Article 36**

Except for the crime stipulated in article 35 of this law, it is permitted for the minister, or whoever he authorises, to settle the crimes stipulated in this law, at any stage in the public prosecution and before the issuance of a decision regarding it, in return for the payment of a financial amount no less than double the minimum limit of the fine prescribed for this crime, and not exceeding double the maximum limit of it. The settlement shall result in the lapse of the public prosecution of the crime.