

WORLD TRADE ORGANIZATION

RESTRICTED
WT/ACC/OMN/8
26 March 1998

(98-1210)

**Working Party on the
Accession of Oman**

Original: English

ACCESSION OF THE SULTANATE OF OMAN

Information on Policy Measures Affecting Trade in Services (WT/ACC/5)

The following information on policy measures affecting trade in services has been received from the Ministry of Commerce and Industry of the Sultanate of Oman, with the request that it be circulated to members of the Working Party.

SULTANATE OF OMAN

Information on Policy Measures Affecting Trade in Services

TABLE 1: Measures Relating to Market Access

Mode(s) of Supply		Measures	Relevant Laws and Regulations
A. HORIZONTAL			
(1) Cross-border supply	(1) None		
(2) Consumption abroad	(2) None		
(3) Commercial presence	(3) Commercial presence is subject to approval under the Foreign Capital Investment Law. Authorization for commercial presence shall be granted after the following conditions have been met:		Foreign Capital Investment Law
	- the business shall be conducted by an Omani company with a capital of not less than RO 150,000 and the foreign share therein shall not exceed 49% of the total capital.		Foreign Capital Investment Law
	- however, the above percentage may be increased up to 65% of the company's capital by a decision from the Minister of Commerce and Industry following a recommendation from the Foreign Capital Investment Committee.		

Mode(s) of Supply	Measures	Relevant Laws and Regulations
(4) Presence of natural persons	<ul style="list-style-type: none"> - the percentage referred to in the above paragraph may be further increased up to 100% of the company's capital for the projects which contribute to the development of the national economy upon the approval of the Cabinet following a recommendation from the Minister of Commerce and Industry, provided that the project's capital shall not be less than RO 500,000. <p>Commercial presence can be only in one of the following types of corporate entities: general partnership; limited partnership; joint-venture; joint-stock company; limited liability company; and holding company.</p> <p>(4) All service companies whether Omani or foreign are required to employ a certain percentage of their total employees from Omani nationals. The percentage for different service sectors are as follows:</p> <ul style="list-style-type: none"> - transport (road, air and marine) 60% - finance, insurance and real estate 45% - banking 85% - restaurants and hotels 30% - wholesale and retail trade 20% - construction services 15% 	<p>Commercial Companies Laws</p> <p>Omani Labour Law</p>

Mode(s) of Supply	Measures	Relevant Laws and Regulations
(5) Relationship between modes of supply	Companies wishing to employ foreign nationals have to apply to the Ministry of Social Affairs, Labour and Vocational Training to obtain a work permit. The Ministry will issue the work permit if the company has made satisfactory progress in employing Omani nationals and in achieving the required targets. (5) --	
B. SPECIFIC SERVICE SECTOR OR SUB-SECTOR		
1. BUSINESS SERVICES A. <u>Professional Services</u> (a) Legal services (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) In the form of joint-venture company with an Omani lawyer with the foreign share limited to 65%. A foreign lawyer cannot appear in Omani Court to plead a case. (4) None, other than those in the horizontal section (5) --	Royal Decree No. 108/96

Mode(s) of Supply		Measures	Relevant Laws and Regulations
(b)	Accounting, auditing and bookkeeping services		Royal Decree No. 77/86.
(1)	Cross-border supply	(1) None	
(2)	Consumption abroad	(2) None	
(3)	Commercial presence	(3) Foreign share limited to 65%	
(4)	Presence of natural persons	(4) None, other than those in the horizontal section	
(5)	Relationship between modes of supply	(5) --	
(c)	Taxation services		
(1)	Cross-border supply	(1) None	
(2)	Consumption abroad	(2) None	
(3)	Commercial presence	(3) None, other than those in the horizontal section	
(4)	Presence of natural persons	(4) None, other than those in the horizontal section	
(5)	Relationship between modes of supply	(5) --	
(d)	Architectural services		
(1)	Cross-border supply	(1) None	
(2)	Consumption abroad	(2) None	
(3)	Commercial presence	(3) None, other than those in the horizontal section	
(4)	Presence of natural persons	(4) None, other than those in the horizontal section	
(5)	Relationship between modes of supply	(5) --	

Mode(s) of Supply	Measures	Relevant Laws and Regulations
(e) Engineering services (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) Foreign share limited to 65% (4) None, other than those in the horizontal section (5) --	Royal Decree No. 120/94
(f) Integrated engineering services (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) Foreign share limited to 65% (4) None, other than those in the horizontal section (5) --	Royal Decree No. 120/94.
(g) Urban planning and landscape architectural services (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	

Mode(s) of Supply		Measures	Relevant Laws and Regulations
(h) Medical and dental services	(1) Cross-border supply	(1) None	Royal Decree No. 22/96
	(2) Consumption abroad	(2) None	
	(3) Commercial presence	(3) Subject to licence from the Ministry of Health	
	(4) Presence of natural persons	(4) None, other than those in the horizontal section	
	(5) Relationship between modes of supply	(5) --	
(i) Veterinary services	(1) Cross-border supply	(1) None	
	(2) Consumption abroad	(2) None	
	(3) Commercial presence	(3) None, other than those in the horizontal section	
	(4) Presence of natural persons	(4) None, other than those in the horizontal section	
	(5) Relationship between modes of supply	(5) -	
(j) Services provided by midwives, nurses, physiotherapists and para-medical personnel	(1) Cross-border supply	(1) None	
	(2) Consumption abroad	(2) None	
	(3) Commercial presence	(3) None, other than those in the horizontal section	
	(4) Presence of natural persons	(4) None, other than those in the horizontal section	
	(5) Relationship between modes of supply	(5) - -	

Mode(s) of Supply	Measures	Relevant Laws and Regulations
B. <u>Computer and Related Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
C. <u>Research and Development Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
D. <u>Real Estate Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) Not permitted. Reserved for Omani nationals (4) None, other than those in the horizontal section (5) --	Royal Decree No. 78/86

Mode(s) of Supply	Measures	Relevant Laws and Regulations
F. <u>Other Business Services</u> (a) Advertising services (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
(b) Market research and public opinion polling services (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
(c) Management consulting services (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) - -	

Mode(s) of Supply	Measures	Relevant Laws and Regulations
(d) Services related to management consulting (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) - -	
(e) Technical testing and analysis services (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) - -	
(k) Placement and supply services of personnel (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than that in the horizontal section (4) None, other than that in the horizontal section (5) --	

Mode(s) of Supply		Measures	Relevant Laws and Regulations
(n)	Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)		
(1)	Cross-border supply	(1) None	
(2)	Consumption abroad	(2) None	
(3)	Commercial presence	(3) None, other than those in the horizontal section	
(4)	Presence of natural persons	(4) None, other than those in the horizontal section	
(5)	Relationship between modes of supply	(5) --	
(o)	Building-cleaning services		
(1)	Cross-border supply	(1) None	
(2)	Consumption abroad	(2) None	
(3)	Commercial presence	(3) None, other than those in the horizontal section	
(4)	Presence of natural persons	(4) None, other than those in the horizontal section	
(5)	Relationship between modes of supply	(5) --	
(p)	Photographic services		
(1)	Cross-border supply	(1) None	
(2)	Consumption abroad	(2) None	
(3)	Commercial presence	(3) None, other than those in the horizontal section	
(4)	Presence of natural persons	(4) None, other than those in the horizontal section	
(5)	Relationship between modes of supply	(5) --	

Mode(s) of Supply	Measures	Relevant Laws and Regulations
(q) Packaging services (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
(s) Convention services (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
2. COMMUNICATION SERVICES		
A. <u>Postal Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) Not permitted (4) None, other than those in the horizontal section (5) --	Service provided only by the Government

Mode(s) of Supply	Measures	Relevant Laws and Regulations
B. <u>Courier Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
C. <u>Telecommunications Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) Not permitted (2) None (3) Not permitted (4) None, other than those listed in the horizontal section (5) --	Service provided only by the Government Service provided only by the Government
D. <u>Audiovisual Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) Not permitted (4) None, other than those in the horizontal section (5) --	Service provided only by the Government
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES		
(1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	

Mode(s) of Supply	Measures	Relevant Laws and Regulations
4. DISTRIBUTION SERVICES		
A. <u>Commission Agent's Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
B. <u>Wholesale Trade Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
C. <u>Retailing Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	

Mode(s) of Supply	Measures	Relevant Laws and Regulations
D. <u>Franchising</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
5. EDUCATION SERVICES		
A. <u>Primary Education Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section. Approval required from the Ministry of Education. (4) None, other than those in the horizontal section (5) --	
B. <u>Secondary Education Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section. Approval required from the Ministry of Education. (4) None, other than those in the horizontal section (5) --	

Mode(s) of Supply	Measures	Relevant Laws and Regulations
C. <u>Higher Education Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section. Approval required from the Ministry of Higher Education. (4) None, other than those in the horizontal section (5) --	Ministerial Decree No. 21/94.
6. ENVIRONMENTAL SERVICES		
A. <u>Sewage Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
B. <u>Refuse Disposal Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	

Mode(s) of Supply	Measures	Relevant Laws and Regulations
C. <u>Sanitation and Similar Services</u>		
(1) Cross-border supply	(1) None	
(2) Consumption abroad	(2) None	
(3) Commercial presence	(3) None, other than those in the horizontal section	
(4) Presence of natural persons	(4) None, other than those in the horizontal section	
(5) Relationship between modes of supply	(5) --	
7. FINANCIAL SERVICES		
A. <u>All Insurance and Insurance-Related Services</u>		
(1) Cross-border supply	(1) None	
(2) Consumption abroad	(2) None	
(3) Commercial presence	(3) None, other than those in the horizontal section	
(4) Presence of natural persons	(4) None, other than those in the horizontal section	
(5) Relationship between modes of supply	(5) --	
B. <u>Banking and Other Financial Services</u> (excluding insurance)		
(1) Cross-border supply	(1) Not permitted	The Banking Law of Oman.
(2) Consumption abroad	(2) None	
(3) Commercial presence	(3) Only for Banks incorporated in Oman with foreign share limited to 49% and subject to approval from the Central Bank of Oman. Number of bank branches in Muscat area limited to four branches for each Bank	The Banking Law of Oman
(4) Presence of natural persons	(4) Number of foreign persons limited to 15% of the total number of employees of a Bank	Labour Law of Oman
(5) Relationship between modes of supply	(5) --	

Mode(s) of Supply	Measures	Relevant Laws and Regulations
8. HEALTH RELATED AND SOCIAL SERVICES (other than those listed under 1.H.h-j)		
A. <u>Hospital Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
B. <u>Other Human Health Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
C. <u>Social Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	

Mode(s) of Supply	Measures	Relevant Laws and Regulations
9. TOURISM AND TRAVEL RELATED SERVICES		
A. <u>Hotels and Restaurants</u> (including catering) (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
B. <u>Travel Agencies and Tour Operators Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
C. <u>Tourist Guides Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	

Mode(s) of Supply	Measures	Relevant Laws and Regulations
D. <u>Others</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES (other than audiovisual services)		
A. <u>Entertainment Services</u> (including theatre, live bands and circus services) (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
D. <u>Sporting and Other Recreational Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	

Mode(s) of Supply	Measures	Relevant Laws and Regulations
11. TRANSPORT SERVICES		
A. <u>Maritime Transport Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
F. <u>Road Transport Services</u> (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
G. <u>Pipeline Transport</u> (a) Transportation of fuels (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	

Mode(s) of Supply	Measures	Relevant Laws and Regulations
(b) Transportation of other goods (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
H. <u>Services Auxiliary to All Modes of Transport</u> (a) Cargo-handling services (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	
(b) Storage and warehouse services (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons (5) Relationship between modes of supply	(1) None (2) None (3) None, other than those in the horizontal section (4) None, other than those in the horizontal section (5) --	

Mode(s) of Supply		Measures	Relevant Laws and Regulations
(c)	Freight transport agency services		
(1)	Cross-border supply	(1) None	
(2)	Consumption abroad	(2) None	
(3)	Commercial presence	(3) None, other than those in the horizontal section	
(4)	Presence of natural persons	(4) None, other than those in the horizontal section	
(5)	Relationship between modes of supply	(5) --	

TABLE 2: Measures Relating to National Treatment

Modes of Supply	Measures	Relevant Laws and Regulations
A. HORIZONTAL		
<p>(1) Cross-border supply</p> <p>(2) Consumption abroad</p> <p>(3) Commercial presence</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) Foreign service companies, mixed companies and foreign individuals are not permitted to own free-hold land. However, land is available on a 50 year lease which is extendable.</p> <p>The rate of income tax on companies differs according to the share of foreign ownership. Omani companies with no foreign participation pay income tax at a lesser rate as compared with companies with foreign participation. However, there is exemption from income tax for foreign investment projects for a period of five years, which is extendable for another five years. (Please refer to reply 125 in document WT/ACC/OMN/5 and to Reply 86 in document WT/ACC/OMN/6/Add.1).</p> <p>Foreign or mixed (Omani-foreign) companies have to conform to one of the six forms of legal entities, whereas wholly owned Omani service companies can also be in the form of sole proprietorships.</p> <p>Foreign and mixed companies have to fulfil the requirements of the Foreign Capital Investment Law, whereas wholly-owned Omani Companies do not.</p>	<p>Royal Decree No. 5/80</p> <p>Law of Income Tax on Companies</p> <p>Companies Commercial Law</p> <p>Foreign Capital Investment Law</p>