

Frequently Asked Questions on the Tax Stamp System for Excise Goods in the Sultanate of Oman

V1= September 2022

Question	Answer
<p>What is a tax stamp system?</p>	<p>It is a monitoring system imposed on manufacturers and suppliers of products which are subjected to Excise taxation to be traded in the Sultanate of Oman. Under this system, digital tax stamps are placed on those products to monitor and track their movement from the factory to the point of consumption.</p>
<p>What is the purpose of implementing digital tax stamp in Sultanate of Oman?</p>	<p>The digital tax stamp system provides many benefits and advantages to the Sultanate of Oman by setting and activating the tax stamp on the targeted excise goods. The main purposes of this system are:</p> <ul style="list-style-type: none"> • Monitoring the amount of selective goods traded in the Sultanate of Oman. • Adherence to international standards which the WHO Framework convention demand it on combating illicit tobacco trafficking. • Protection of tax revenues through the prevention of smuggling and identification of illicit goods.. • Protect consumers from the risk of using smuggled and low-quality excise goods.

<p>What are the products that will be covered by the tax stamp system?</p>	<p>The tax stamp system will initially be applied to cigarettes and subsequently extended to other tobacco products. The system will be applied later on special products, soft drinks and energy drinks which are subjected to excise taxation in the Sultanate of Oman.</p> <p>The system will be carried out according to the schedules which the Tax Authority determine and announce.</p>
<p>What is the effective process of operating the system at the beginning of the application?</p>	<p>The system of digital tax stamp (DTS) will be available through the internet to be used by importers, manufacturers, and certified people. There will be physical markers and digital codes that are applied/printed on products which are subjected to excise taxation.</p> <ul style="list-style-type: none"> ○ Those whom are registered with the Tax Authority for the purposes of excise taxation of tobacco products, special products, soft drinks and energy drinks will be able to apply for getting the stamps through the order management system. ○ Orders will be reviewed by the Tax Authority, and after approval, the physical stamps will be shipped to the specific manufacturer in order to place them on each packaging, then the specific manufacturer will activate the physical stamps and place digital codes (where applicable) on the packs, cartons and containers. ○ Manufacturers will send the details of tax stamps which are unused, unnecessary or damaged to the central database. ○ Excise goods will be shipped from specific manufacturers to the Sultanate of Oman and the Tax authority will be notified that the goods have been processed through customs. ○ Customs employees will verify that there is a physical stamp that is effective on the shipments, starting from 14/10/2022, and Customs will not release excise goods that do not carry these stamps. ○ The inspection teams of Tax authority will verify the existence of a valid and effective physical stamp on all packaging's available in the Sultanate of Oman, and appropriate legal action will be taken against violators, both importers and merchants who own these goods.
<p>What are the stamps which will be on cigarettes?</p>	<p>The digital tax stamp for cigarette products comes in the form of physical marker (Tax Stamp) which is being activated electronically as well as in the form of a digital symbol mark containing digital data placed on excise goods, the stamp is requested, placed and tracked</p>

	<p>through the tracking monitoring program. Cigarette manufacturers and stakeholders must adhere to the tax stamp system so that they can import cigarettes and offer them for consumption in the Sultanate of Oman.</p>
<p>What are the stamps on tobacco products and other special products?</p>	<p>The stamp is a distinctive sign in the form of physical sign which is being activated electronically containing digital data placed on excise goods. The stamp is requested, placed and tracked through the tracking monitoring software. Tobacco manufacturers and relevant stakeholders are required to adhere to the digital tax stamp system so that they can import the sale of shisha, other tobacco products and special products for consumption in the Sultanate of Oman.</p>
<p>What are the stamps on soft drinks and energy drinks?</p>	<p>For imported soft drinks and energy drinks, they will be marked with a distinctive physical stamp which is activated electronically containing digital data placed on the goods. The stamp is requested, placed and tracked through the tracking monitoring program. Importers and stakeholders must adhere to the digital tax stamp system so that they can import soft drinks and energy drinks for consumption in the Sultanate of Oman.</p> <p>For locally manufactured soft drinks and energy drinks, the product will be marked with a digital code containing digital data. The stamp is requested, placed and tracked through tracking monitoring software. Manufacturers and stakeholders must adhere to the digital taxation system so that they can manufacture soft drinks and energy beverages to offer them for consumption in Oman.</p>

<p>What are the procedures that will be taken against manufacturers and importers who do not comply with the system?</p>	<p>All types of imported tobacco products, special products, soft and energy drinks into the Sultanate of Oman are expected to carry the tax stamp from the specified date of the customs enforcement. All products traded and sold in the Sultanate of Oman must carry the appropriate and correct activated stamp from the date of the retail enforcement.</p> <p>Importers and manufacturers who do not comply with the digital tax stamp scheme after the effective dates will be subject to the penalties set out in the excise tax law.</p>
<p>What are the procedures that will be taken against distributors and retailers who possess tobacco products, special products, soft and energy drinks without a valid and activated stamp after the local obligation of the activated stamp system?</p>	<p>Possession of tobacco products, special products, soft and energy drinks starting from cigarettes without valid and effective stamps after the specified date is illegal action and the merchant will subject to the penalties that set out in the excise tax law.</p>