



Tax Stamp

Introduction



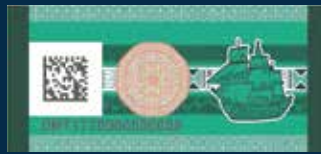
The digital tax stamp on Excise products is a monitoring program, which is implemented by the Tax Authority. It is imposed on the manufacturers of excise products and parties involved in order to promote compliance with international standards in the import and trade of these goods in the Sultanate of Oman. The Digital tax stamp Certify™ system allows to put customized digital stamps on certain products to monitor and track their movement from factory to consumers. These stamps help to enforce the regulations which aim to avoid the illicit trade in excise goods. In addition, the digital tax stamp scheme asks manufacturers to place certain seals with a high degree of safety on all goods; so after enforcing this, the scheme will not allow the import of any excise goods to the Sultanate of Oman that do not carry effective tax stamps.



What is the purpose of applying the digital tax stamp scheme in sultanate of Oman?



The tax stamps which is applied on the targeted excise goods aims to limit the circulation of counterfeit and adulterated goods in local market as well as to limit the operations of smuggling excise goods and resulting tax evasion.



What are the products which will be covered by the digital tax stamp scheme?



The digital tax stamp system will be applied at the beginning of the project on imported cigarettes and then it will be extended to all excise goods in the Sultanate of Oman according to timetables that will be announced by the Tax Authority. So that the digital tax stamp is applied to all excise goods from the beginning of 2023.

The Main Dates for cigarettes



30/June/2022

Local importers will be able to request tax stamps for their manufacturers to place them on cigarette packs.



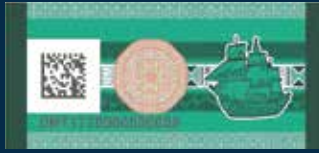
14/October/2022

It is unallowable to import any cigarette products that do not carry the digital tax stamp to sultanate of Oman.



1/February/2023

It will be unallowable to sell, trade, import or produce any excise goods in the Sultanate of Oman unless it holds the digital tax stamp.



What are the main purposes of applying the system of digital tax stamp?



1. Enhancing the Tax Authority's capacity to impose the inspection regulations on the collection of excise taxes for tobacco products, special products, soft drinks and energy drinks which are imported to the Sultanate of Oman.
2. Enhancing the ability of verifying from the integrity of excise goods to Sultanate of Oman in a way that is organized and legal which will enable the Tax Authority to foster the collection of all owed taxes on these goods.
3. Enhancing the capacity of relevant stakeholders to analyze and review the imported products in order to identify the illicit trade in excise goods to examine procedures which help reducing the illicit trade as much as possible.
4. Meeting the criteria of commitment under the WHO convention on Tobacco Control (FCTC) by being able to track tobacco products which are compatible with those standards.

Who must register in the system of digital tax stamp?



Manufacturer: Any international or local manufacturer who produces the affected excise goods for distribution in the Sultanate of Oman local market.



Importers: Any official importer who is registered with the tax authority purchases excise goods as a wholesale from international manufacturers for sale and distribution within the Sultanate of Oman.

Steps of request digital tax stamp



The importers, and local manufacturers registered with the OTA for excise should send their request via otadtscustomer@delarue.com to register for the digital .tax stamp system



Access to Tax Authority-approved DLR system.



Access username and password.

User Name



Mange Orders

Transfer to "Request management" and register the basic information which include the targeted SOUQ (Sultanate of Oman or free market).



Digital tax stamp application



The Tax Authority is keen to implement Digital Tax Stamp project, which aims to combat tax evasion and contribute in the protection of consumers from illicit products that do not conform to the specifications which may reach the market. The Tax authority has launched a "special" application for the digital tax stamp scheme which will apply to digital tax stamps for the relevant excise goods so that all consumers can verify the credibility of products that carry "digital tax stamp."



Purposes:

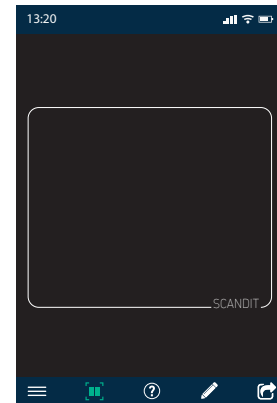
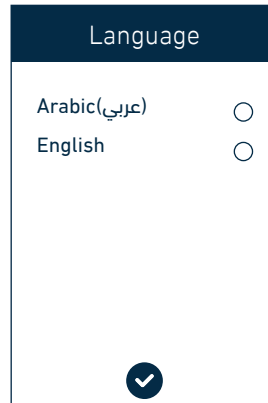
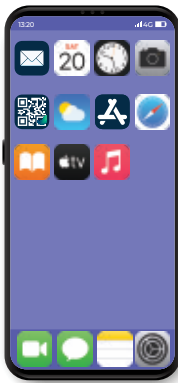
1. Monitor and track the trade of illicit excise products.
2. Allow consumers to help the Tax Authority combat against other illicit products.
3. Enable consumers to verify that the products they purchase are licensed and compatible to specifications.

Important Information to utilize the application



1. The users should direct their smart device camera on the digital tax stamp to scan and verify its validity.
2. If there is a problem in scanning the digital tax stamp by the camera, the users should manually type the human readable stamp code.
3. The users should contact the call center number 1020 if the product is not trusted or without digital tax stamp and complete the report form within the application.
4. The tax authority will investigate and communicate with the relevant authorities to reduce the spread of illicit excise products.

Initial Conception for the application





Procedures and penalties in case of violation



If a person who possesses excise goods for commercial purposes outside of a tax suspension is found not to have paid the tax owed, nor to have valid and effective tax stamp, the tax authority will consider that person aware that the tax owed to those goods has not been paid and will consider him or her responsible of paying the tax payable for those specific excise goods and any related fines; in accordance with article 67, paragraph 3 of the Executive Regulations of the Law on Excise Tax.

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