Guide for the Submission of Final Return of Income

Please read this Guide before you start filling up the final return of income of any tax year.

1. Under Article 140 of the Income Tax Law (Law), every taxpayer who is not exempted from filing the return of income under Article 134 of Executive Regulation (Regulation) is required to submit the final return of income for every tax year declaring its taxable income for that tax year within 6 months from the end of accounting period or the last accounting period, if the return relates to the income of more than one accounting period. Tax year corresponds to calendar year. Taxpayer means an establishment owned by natural person, Omani company and permanent establishment of a foreign person.

2. Taxable income for any tax year is computed by reference to the accounting profits for the accounting period or periods ended in that tax year. Ex: If you have made up your accounts for the accounting period of 12 months ended on 31 March 2010, the taxable income for the tax year 2010 should be determined based on the accounting profit for that accounting period with the necessary tax adjustments under the Law. If you have made up your accounts for the year ended 31 March 2010, and for 9 months ended 31 December 2010, the taxable income for the year 2010 should be the aggregate of the incomes of the two periods after making the necessary tax adjustments under the Law.

3. You must choose one of the following return form appropriate to your status:

Status	Form no.
Annual return: Establishment	13
Omani company	14
Permanent establishment	15
Permanent establishment (for services)	16

4. You must ensure that the all lines in the return form are properly completed. You must attach all necessary appendices to the return. If any appendix or line in the return is not applicable, you must mark as "NA" against it. The amount at each line should be written in Omani riyal, except where you have been permitted by the Secretary General to maintain the accounting records in a foreign currency.

5. You must enclose a copy of the original audited financial statements with the return unless you are exempted from filing the audited financial statements under Article 139 of the Regulation and also ensure that the copy of the balance sheet attached bears the signature of the directors/ members/ owner of the establishment.

6. You must ensure that the return is signed by a Principal Officer of the taxpayer and stamped with the taxpayer's seal. The person who signs as a principal officer must ensure that he is designated as a principal officer of the taxpayer under Article 6 of the Law and his full name and designation is clearly written below his signature.

7. The returns of income should be submitted with the relevant appendices referred to in the Forms. Brief explanation on what should be included in the return and the appendices is given paragraph 10 below. The details in the appendices are not intended to be complete and exhaustive. You may provide any further details that would assist the tax authorities to check the correctness of the return without reverting to you. You must be able to substantiate the information included in the appendices with documentary evidence if you are called upon to do so.

8. Details relating to sub-contractors (amounts paid to major transacting suppliers or sub-contractors) mentioned in the return applies whether you employ a contactor (where you are the employer) or a sub-contractor (where you are yourself a contractor and entrust a portion of the work undertaken by you to a sub-contractor) to perform any supply or services for you.

9. Your should attach a statement specifying the names and addresses of related parties as defined in Article 125 of the Law, with whom you had transactions during the period for which the return is submitted, the nature of the transactions, amounts and basis of pricing in respect of those transactions.

10.1 - Net Profit / Loss (as per Profit/Loss account)

Description	Form no.	App and Line
Net profit/loss (as per Profit/Loss account): means Profit or loss before tax as per the Statement of Comprehensive Income	13-16	1

10.2 - Income Earned Not Recorded in Accounts

Description	Form no.	App and Line
Income earned not recorded in accounts: means income chargeable to tax, but not considered in the profits and loss account referred in paragraph 10.1 above: Ex: a) Retrospective restatement of errors b) Dividends received from foreign associates and credited to investment under the Equity Method Accounting c) income recognized under 'other comprehensive income' Provide the following details in the Appendix: a) Nature of the income b) Amount Enter the total amount in the return. **The expenses or losses incurred but not recorded in the accounts are covered under 'Deduction' in paragraph 10.6.**	13 to 16	A -2

10.3 - Profits or gains from disposal of asset (other than the securities listed in Muscat Securities Market) not recorded in accounts (Addition), and

Loss arising from disposal of asset (other than the securities listed in Muscat Securities Market) not recorded in accounts (Deduction)

Description	Form no.	App and Line
For tax purposes, the profits or gains or loss from disposal of assets (other than the capital assets on which depreciation is allowable under the Law) should be calculated with reference to the actual cost. In respect of the disposal of assets for which the profits or gains or losses were recognised in the accounts by reference to the carrying value, provide		

a statement indicating: a) Details of each asset disposed of in the accounting period b) Profit/ (loss) recognised in the accounts (b) * c) Profit/ (loss) calculated with reference to the actual cost (c) * d) If (c) is more than (b), consider (c)- (b) is profit (d) e) If (c) is less than (b), consider (b) –(c) as loss (e) **Addition** If the aggregate of (d) and (e) results in profits, enter the net amount as profits in the return with plus sign (Addition).	13 to 16	B- 3
Deduction: If the aggregate of (d) and (e) results in loss, enter the net amount as loss in the return with minus sign (Deduction).	13 14 15 16	K- 25 K- 24 M- 24 L- 24
*In the case of loss, (b) and (c) will take a minus sign.		

10.4 - Tax Depreciation (Deduction), Balancing Charge (Addition) and Balancing Allowance (Deduction)

Description	Form no.	App and Line
You have to compute tax depreciation and balancing charge and allowance separately for assets to be depreciated on the straight line method, and for assets allocated to pools which have to be depreciated on the diminishing balance method. You will, therefore, give Information in respect of the tax depreciation and balancing charge/ allowance in the following formats: **Format 1**: **Depreciation on Buildings, Ships, Aircrafts And Intangible Assets (other than computer software and intellectual property rights) :** Tax depreciation should be calculated for each asset on straight line method on the capital expenditure in acquiring the asset at the rates mentioned in Articles 86 to 89 of the Law. The depreciation is allowable only if the asset continues to be in use in the business till the end of the accounting period. Hence, no depreciation is allowable in the year of disposal of assets. The rate of depreciation is specified for a year, i.e., for an accounting period of 12 months. Even if the asset is used only for a part of the accounting period, depreciation has to be provided for the full period. However, if the accounting period itself is more or less than 12 months, or it is in an accounting period in which the		

business is carried on only for a part of that period, the depreciation calculated for 12 months should be increased or reduced proportionately. In no case, shall the total tax depreciation allowed for an asset exceed the amount of capital expenditure on that asset.

Provide in the Appendix the calculation of depreciation for each asset on the basis mentioned above and the information relating to tax depreciation for each class of assets in the same format as that provided for the Schedule of Fixed Assets in the financial statements.

The total tax depreciation for all classes of assets is denoted as – A.

Format 2: Balancing Charge/ Balancing Allowance on Buildings, Ships, Aircrafts and Intangible Assets:

If you have disposed of any asset depreciated on straight line method (Articles 86 to 89 of the Law) during the accounting period for which the return is submitted, you need to file the details for each asset disposed of in the following format:

a. Description and details of the asset disposed of ;

b. Type of disposal (sold /discarded/demolished/ceased to be used/others);

c. Capital expenditure incurred on the asset (actual cost);

d. Total amount of Depreciation allowed on the asset under the Company Income Tax Law (RD 47/1981) and Income Tax Law (28/2009);

e. Net value of the asset (c-d);

f. Disposal value (to be taken as per Articles 103 to 107 of the Law);

g. If (e) is less than (f), balancing charge = (f - e) (prefix + sign before the number);

h. If (e) is more than (f), balancing allowance = (e-f) (prefix – sign before the number);

i. Net amount of balancing charge (prefix + sign before the number) / balancing allowance (prefix – sign before the number) = total of (g) + total of (h) for all the assets.

Format 3: Depreciation of Machinery and Plant and Other Assets:

Provide calculation of tax depreciation for the accounting period for which the return is submitted (current accounting period) in the following format for each pool of assets, which are to be depreciated by allocation to pools (Article 90), identifying the pool by the rate of depreciation applicable:

a. Depreciation base of the pool for the immediately preceding accounting period;

b. Depreciation for the immediately preceding accounting period;

c. Opening balance for the current accounting period (a-b);

d. Cost of additions to the pool of assets during the current accounting period; e. Disposal value of assets during the current accounting period (take the values as per Articles 103 to 107 of the Law, indicating the type of disposal for each asset disposed of); f. Depreciation base for the current accounting period (c + d-e) g. Depreciation for the pool on the deprecation base (f) for the current accounting period at the rate mentioned above, if (f) is a positive figure. (No depreciation is allowed, if (f) is negative, or if none of the assets in a pool remains at the end of the accounting period, or the business is closed down in that period.) The amounts so worked out shall be the tax depreciation allowable if the accounting period is 12 months. Otherwise, after working out the tax depreciation for each pool for the accounting period, adjust the total, if required, under Article 93 of the Law by increasing or reducing it correspondingly, if the accounting period is more or less than 12 months or if the business has been carried on for only a part of the accounting period. The total tax depreciation for all pools is denoted as – B.		
Enter the total of amount A of Format 1 and amount B of Format 3 in the line for Depreciation of capital assets as per Law in the return.	13 14 15 16	P -33 P - 31 S - 31 R -31
Balancing Charge or Allowance on Machinery and Plant and Other Assets: I. If none of the assets in a pool remains at the end of the accounting period and the amount (f) in Format 3 for that pool is positive, or if your business is closed down in that period and the amount (f) in Format 3 for any pool in that period is positive, amount (f) should be considered the balancing allowance. (prefix – before the number) II. In any case, whether assets in a pool remain or not at the end of the accounting period, but (f) in Format 3 for that pool is negative, (f) should be considered the balancing charge. (prefix + before the number) Net amount of balancing charge/allowance for all assets = (i) of Format 2 + (I) of Format 3 + (II) of Format 3. The amount is balancing charge, if the net amount is positive. The amount is balancing allowance, if the net amount is negative.		
Addition: Enter the Balancing charge	13 14 15	 C -4

	16	
Deduction: Enter the Balancing allowance	13 14 15 16	M – 29 M -28 O–27 N – 27
Other Details Relating to Balancing Charge/Allowance to be included in the Appendix: If you are a sole proprietorship and have transferred your business to a company in sole consideration of shares issued by the company to you, indicate here whether you as well as the company have filed the option under Article 96 of the Law: Mention 'Option under Article 96 of the Law filed / not filed' under the line for balancing charge or the balancing allowance in the Appendix. If any depreciable asset has been sold / destroyed during the accounting period along with other assets, indicate whether Articles 98 to 101 of the Law are applicable in your case. Mention 'Request for approval under Article 99 of the Law made / not made' under the line for the balancing charge or the balancing allowance in the Appendix.		

10.5 - Expenses Not–wholly Incurred to Realize Gross Income

Description	Form	App and Line
The term 'wholly' relates to the amount of the expenses incurred. In case of expenses incurred partly for the purpose of production of gross income and partly for other purposes, Article 54 of the Law allows you to deduct only the part of the expenses attributable to the production of gross income. The expenses attributable to other purposes should be allocated on a fair and equitable basis. Ex: Rent paid for premises used by the owner for the purposes of business and residence. Provide the following details in the Appendix: a) Description and the amount of the expenses; b) Basis for allocation c) Amount allocated to 'other purposes'	13 to 16	D -5

Enter the total amount in the return.		

10.6 - Expenses Not Deductible as per Law and Regulation (Addition) and Other Deductions Allowable as per Law and Regulation (Deduction)

Description	Form	App and Line
Addition: These expenses include tax on income, tax-related legal fees, non-business advance of money becoming bad, and other expenses not incurred for the purpose of production of gross income Provide the following details in the Appendix: a) Description of expense b) Amount Enter the total amount in the return.	13 to 16	E - 6
Deduction: These deductions include: Tax deductible losses or expenses not recorded in the profit and loss accounts referred in paragraph 10.1 above, pre-registration and pre-trading expenses if not considered in the statement of comprehensive income, provision for expenses neither claimed nor allowed in the earlier years but claimed during the current year as expense incurred during the year, and similar expenses. Provide the following details in the Appendix: a) Description of expense b) Amount, with supporting document, if any Enter the total amount in the return.	13 14 15 16	R- 35 R-33 U-33 T- 33

10.7 - Sponsors' Fees as per Accounts (Addition), and Deduction as per the Regulation

Description	Form	App and Line
Addition The sponsor’s fee includes all amounts however named, paid to the local sponsor in that capacity. Sponsor’s fee does not include any amounts paid for the supply of	15	F -7

merchandises or goods or services to the permanent establishment. Provide the following details in the Appendix: a) Description of expense b) Amount charged to the accounts Enter the total amount in the return.	16	7
Deduction: The deduction is allowed only if the permanent establishment has actually incurred the expense in terms of Article 29 of Regulation. The deduction of sponsorship fees is restricted to the lower of the actual payment, or 5 % of the taxable income after deducting the losses brought forward but before deducting the sponsor's fees. Provide the following details in the Appendix: a) Sponsorship fees paid b) 5 % of the taxable income (after the losses but before deduction of for sponsor's fees) c) Amount allowable = (a) or (b) whichever is lower. Enter the amount c) in the return	15 16	W-38 V-38

10.8 - Expenses Incurred to Realise Tax-Exempted Income

Description	Form	App and Line
These expenses fall under two categories as below: Interest and General & administration expenses A. Where the borrowed funds are exclusively used for activity or investment the income from which is taxable, the whole of such interest is allowed as deduction. Where the general and administration expenses are exclusively incurred for activity or investment the income from which is taxable, the whole of such expenses is allowed as deduction. B. Where the borrowed funds are exclusively used for activity or investment the income from which is exempted from tax, the whole of such interest is disallowed. Where the general and administration expenses are exclusively incurred for activity or investment income from which is exempted from tax, the whole of such expenses is disallowed.		

C. Where borrowed funds are used both for tax-exempted activity / investment and for taxable activity / investments, an allocated part of the interest related to the exempted activity / investments, on a fair basis, is disallowed. **If you prefer to have this disallowance computed in the ratio of the historical cost of investments for tax exempted activity to the total cost of assets, rather than on the carrying values shown in the balance sheet, provide with your working in this appendix the details of the historical cost both in respect of such investments and in respect of all other assets appearing on your balance sheet.** Where the general and administration expense are incurred for both tax-exempted activity / investment and for taxable activity / investments, an allocated part of the expenses relatable to the exempted activity / investments, on a fair basis, is disallowed. Provide working of the respective amounts under [B] and [C] above, and the following details in the Appendix: a) Description of expense b) Amount as per working - B c) Amount as per working - C d) Total of b) and c) above. Enter the total amount d) in the return	13 14	7 7

10.9 - Provisions as per Accounts.

Description	Form	App and Line
i. In determining the taxable income, provision for estimated expenses or losses, the timing or the amount of which is uncertain, is not deductible. ii. Such provisions, however, do not include provisions for accrued expenses. These are for example, the unpaid expenses such as utility bills, employees' bonuses which will appear as accrued expenses at the end of the accounting period. Do not include details of provision for accrued expenses in this Appendix. iii. All movements within the provision accounts should be clearly indicated. If any amount has been netted off, the gross amount and amount adjusted should be specified.		

iv. Provide in the Appendix the description and the movements of provisions for each type of provisions separately. The types of provision include provision for doubtful debts, provision for inventory, provision for investment value impairment, contingent expenses like, the de-mobilisation expenses, and other like provisions. 1. Opening balance 2. Addition [A] 3. Write back [B] 4. Write off [C] 5. Closing balance		
v. Enter the total amounts of Addition [A] from the Appendices in this line of the return.	13 14 15 16	F - 8 F- 8 G -8 F - 8
vi Enter the total of Write back [B] from the Appendices at the Appendix for Income Not Earned Recorded in the Accounts. [Paragraph 10.15] vii Enter the total of Write off [C] from the Appendices (except in respect of the provision for bad debts), at the Appendix for Other Deductions Allowable as per Law and Regulation. [Paragraph 10.6] vii Enter the total of the eligible amounts as per Regulation out of the Write off [C] in respect of the provision for bad debts, at the Appendix for Debts Considered as Bad as per Law and Regulation. [Paragraph 10.18]		

10.10 - Profit Resulting from Disposal of Securities Listed in Muscat Securities Market as per Accounts (Deduction) and

Loss Resulting from Disposal of Securities Listed in Muscat Securities Market as per Accounts (Addition)

Description	Form	App and Line
Provide the following details in the Appendix: a) the name of the company in which the securities were held b) profit/ loss on disposal recognised in the accounts, and c) the total		

Deduction If the total represents profits, enter the amount in the return	13 14 15 16	J- 24 J- 23 L- 23 K- 23
Addition If the total represents loss, enter the amount in the return (Addition)	13 14 15 16	G- 11 G- 11 H- 11 G- 11

10.11 - Capital Expenses Not Deductible as per Law:

Description	Form	App and Line
In order to decide whether an expenditure is capital expenditure, you should consider the effect of that expenditure. If the effect of the expenditure was to acquire, dispose of or modify a capital asset then the expenditure is capital expenditure. Normally, these expenses are made with a view to bringing into existence an asset or an advantage for the enduring benefit of the business or to the entity. It will also include expense incidental to capital expenditure such as registration fees, legal, valuation and professional fees etc. Capital expenditure will also include any expense incurred to get rid of a disadvantageous asset. These expenses, if charged to the profits or loss accounts, should be disallowed unless they are specifically deductible under the Law, for example, incorporation expenses under Article 63 of the Law. Provide the following details in the Appendix: a) Description of expense b) Head of account under which the expense is included. c) Amount Enter the total amount in the return.	13 14 15 16	H- 14 H- 14 I- 14 H- 14

10.12 - Head Office Expenses of the Permanent Establishment as per Accounts, and Deduction as per Law and Regulation

Description	Form	App and Line
Addition:		
These expenses relate to the head office situated outside Oman where the expenses are on technical consultants, on research and development or on data processing, general and administration costs and other similar or related expenses. The amount includes the expenditure incurred by the head office and allocated to the permanent establishment. The amount also includes expenditure incurred by any units of the head office or incurred by any person related as per Article 132 & 133 of the Law, and then charged as an expense to the permanent establishment.		
Provide the following details in the Appendix:		
a) Description of expense;		
b) Head of account under which the expense is included;		
c) Amount		
Enter the total amount in the return.	15	J -15
	16	I -15
Deduction:		
No deduction is allowed for the expenses of any head office, where the functions performed by such head office are limited to supervision and control.		
Deduction of the head office expenses (the expense as reduced by the amount disallowed as above) is allowed in the cases of A) and B) below:		
(I) Where such expenses are identified as:		
i. wholly incurred for the production of the gross income of the permanent establishment, and		
ii. entered in the books of accounts of the permanent establishment.		
In respect of the above claim (I) provide the following details in the Appendix:		
1) Name of the head office / its unit / person related as per Articles 132 & 133 of the Law		
2) Details of services		
3) Amount claimed = (A).		
(II) Where the part of the head office expenses or its share cannot be		

identified to that permanent establishment:

i. the deduction shall not exceed 3% of the gross income of the permanent establishment for that tax year

ii. in the case of banks and insurance companies, the above percentage shall be increased to 5%. The gross income in the case of insurance companies shall mean the total premiums collected less reinsurance premiums.

iii. in the case of major industrial companies using modern and sophisticated methods of productivity the percentage shall be increased to 10%.

In respect of the above claim (II) provide the following details in the Appendix:

1) Name of the head office / its unit / person related as per Article 132 & 133 of the Law

2) Details of services

3) Amount charged

4) Percentage selected from the above,

5) The amount at the above percentage

6) Amount claimed - Lower of the amounts 3) and 5) above = [B]

The deduction for head office expenses is subject to:

i. Expenses included under paragraph (I) above shall not be again considered for deduction under paragraph (II).

ii. The total deduction of head office expenses shall not exceed amount shown in the permanent establishment's accounts for that year.

iii. Where the head office has supplied commodities or provided services to the permanent establishment, and the expenses thereto have been separately deducted, no other head office expense shall be deducted.

Enter the total of amounts of A) and B), or the head office expenses charged in the accounts as reduced by the expenses of the head office whose functions are limited to supervision and control, whichever is less, in the return. 15 P- 28

16 O- 28

i. In the case of a permanent establishment of a person resident of a country with which Oman has a tax treaty, deduction of these expenses is governed by the provisions of the tax treaty.

ii. For more details refer to Articles 52 to 60 of the Regulation.

10.13 - Dividends from Shares Owned in the Capital of any Omani Company

Description	Form	App and Line
Provide the following details in the Appendix: a) Name of the investee company; b) Whether the investee company is established under the laws of Oman? c) Dividend amount Enter the total amount in the return.	13 14 15 16	I- 23 I- 22 K- 22 J- 22

10.14 - Remuneration / Salaries to Directors / Partners / Owner [Addition and Deduction]

Description	Form	App and Line
Addition Enter the remuneration/ salaries and wages as per accounts in the return	13, & 14	15
Deduction a) Remuneration of chairmen and members of board of directors of joint stock companies: Provide in the appendix the working of the amount claimed to establish that it is within the limit specified in Article 101 of the Commercial Companies Law and the decisions issued by the Capital Market Authority- Amount (A). b) Salaries and wages including all allowances, benefits and payments to the owner of an establishment or partners of a company in return for its management: In respect of the claim for the deduction, provide in the Appendix the details of: a) Name of the owner of the establishment / partner of the company, and the amount of salaries and wages including all allowances, benefits and payments to the owner / each partner as per the accounts. b) The amount of deduction claimed for the owner / each partner together with written declaration from each of them stating that: i. He was engaged in the management of the establishment/ company on full time basis, ii. He was not employed in a government unit or a private		

organisation, iii. He was/ was not/ engaged in managing other companies as a partner /establishment as its owner (If so engaged, the details have to be provided) and iv. He has opted to claim his salary and wages as deduction against the income of this establishment / company. If you are an establishment or an Omani company engaged in activity other than professional activity, this deduction should be limited to a) the actual salary paid to the above owner/ partner, or b) RO 1,000 per month to the owner / each such partner for the period of his presence, whichever is less. The total deduction for the owner / all partners is further limited to 10 % of the taxable income before allowing this deduction as well as before set off of losses brought forward. - Amount (B). If you are an establishment or an Omani company engaged in professional activity, this deduction should be limited to a) the actual salary paid to the above owner/ partner, or b) RO 3,000 per month to the owner / each such partner for the period of his presence, whichever is less. The total deduction for the owner / all partners is further limited to 30 % of the taxable income before allowing this deduction as well as before set off of losses brought forward. - Amount (C).		
Enter the amount ‘A’ or ‘B’ or ‘C’ as applicable in the return.	13 14	38 S- 36

10.15 - Income Not Earned Recorded in the Accounts

Description	Form	App and Line
The items of income not earned, but recorded in the profits and loss account, include the write back of provision for doubtful debts or for expenses created in the earlier years: Provide the following details in the Appendix: a) Nature of income b) Amount Enter the total amount in the return.	13 14 15 16	L - 27 L- 26 N -25 M- 25

10.16 - Donations Deductible as per Law and Regulation:

Description	Form	App and Line
Provide the following details in the Appendix: a) the name and address of the donees; b) the date and amount of payment; c) Specify the relevant paragraph of Article 33 of the Regulation under which you claim the deduction for each item; d) the total amount of the donations. The deduction is restricted to 5 % of the gross income. Enter in the return the total amount of donation or, 5 % of the gross income, whichever is less.	13 14 15 16	N -31 N -29 Q -29 P -29

10.17 - Interest on Loans as per Law and Regulations

Description	Form	App and Line
Addition: If you are an establishment, you should add the total amount of interest payable as per your accounts to your owner and/or to any persons controlled by your owner as per Articles 132 and 133 of the Law, in line 20 of your return. **Enter such amount in the return**	13	20
Deduction: 1. If you are an establishment, you will be allowed to deduct the interest payable to the proprietor or to any persons controlled by the owner as per Articles 132 and 133 of the Law, on loans taken by him/her from a bank to the extent such loan is utilized to earn the gross income of the establishment. Provide in the Appendix the details of the bank and branch from which the proprietor has borrowed loans, the account details, the nature of the loan facility, the amount of loan utilized for the purpose of the activity of the establishment and not to finance or raise capital, the interest payable during the accounting period to the bank on such loan so utilized. Enter only the amount of such interest as the interest on loans as per Law and Regulation in the return.	13	Q -34

2. If you are an Omani company and not a bank or an insurance company, you will be allowed to deduct: a) the entire interest payable to parties not specified in Articles 132 and 133 of the Law, (unrelated parties) on loans utilized for production of gross income as per accounts; and b) the interest payable on arm's length terms to related parties mentioned in Articles 132 and 133 of the Law, which will be limited further in accordance with Article 61 of the Law and Articles 39 to 43 of the Regulations. Provide the following details in the Appendix: i. Owner's equity = average of paid-up capital + share premium + legal reserve + retained profit + general reserve, at the beginning and end of the accounting period as per accounts - (A); ii. Unpaid balances of all loans except interest–free loans = average of the amounts at the beginning and end of the accounting period as per accounts - (B); iii. Interest charged in the accounts amount - (C); - interest charged in the accounts means interest as per accounts net of adjustment of that interest, if any, under Article 126 of the Law iv. Interest payable to unrelated parties amount - (E); and v. If B is more than 2A, compute amount - (D) as follows: D = C * 2A/B; Enter the following amount as interest on loans as per Law and Regulation in the return: 1. If B is less than or equal to 2A, – amount 'C'; 2. If B is more than 2A, and - i) If D is less than E, - amount 'E'; ii) If D is more than E, - amount 'D'.	14	Q -32
3. If you are a permanent establishment and also a bank, you will be allowed to deduct interest payable on arm's length terms on loans from head office or other person controlled by the owner of the permanent establishment, to the extent the loan is not utilized to finance or raise the capital specified under the Banking Law of Oman (Royal Decree 114/2000). Provide the following details in the Appendix: a) the head office or the other person's name and address, b) the extent of loan provided, c) the rate of interest charged, and d) the total amount of interest payable on those loans for the accounting period. Enter the amount of such interest as the interest on loans as per Law and	15	T -32

Regulation in the return.		
4. If you are a permanent establishment other than a bank, you will be allowed to deduct interest payable to head office for loans borrowed by the head office from persons not related to the head office in accordance with Articles 132 and 133 of the Law and utilized for the purpose of the activity of the permanent establishment. Provide the following details in the Appendix: a) the name and address of the person providing the loan to the head office, b) the extent of loan provided, c) the amount of such loan utilized for the purpose of your activity in Oman, d) the rate of interest charged, and e) the total amount of interest payable on those loans so utilized for the accounting period. Enter the amount of such interest as the interest on loans as per Law and Regulation in the return.	15 16	T -32 S- 32

10.18 - Debts Considered as Bad as per Law and Regulation

Description	Form	App and Line
Deduction of bad debt is allowed if: a) the debt must have arisen in the course of the business and for the purposes of production of gross income, b) the amount of debt must have already been included in the accounts, c) the debt must have been written off as bad in the accounts, and d) the debt must have become bad in this tax year as per Regulation Provide the following details in the Appendix for deduction under Articles 23, 24 and 25 of the Regulation separately: 1. Name of the party, and whether a related party 2. Amount of the debt 3. Tax year in which it was considered as income 4. Amount of bad debt written off 5. Total amount written off 6. Details of recovery action 7. Reasons for write-off		

Enter the total amounts of write off [5] in the return	13 14 15 16	O – 32 O - 30 R - 30 Q - 30

10.19 - Loss Brought Forward from Previous Years

Description	Form	App and Line
Format 1: (Applicable to All Taxpayers) Provide the following details in the Appendix about the taxable losses brought forward from earlier years: a. Tax year *; * Mention only the five tax years immediately preceding the tax year for which this return is submitted. b. Amount of loss determined as per assessment or if the assessment has not been completed, as per the final returns for each of the above years; c. Amount of losses at 'b' set off previously as per Article 69 of the Law, specifying the tax year of set off; d. Balance loss of each tax year available for set off; e. Total amount of losses (out of 'd') for which set off is claimed in this return, to the extent of the taxable income (**) for this tax year. **Format 2: (For Omani Companies and Establishments, if Applicable)** Provide the following details in the Appendix about the net loss of the exempted period (initial exemption period of five years) and the set off claimed for such loss in this return: a. Details of exempted period (from date and to date); b. Tax years covered by the above period; c. Loss determined as per assessment, or if the assessment has not been completed, as per the final returns for each of the above years; d. Exempted income (net of expenses) determined as per assessment, or if the assessment has not been completed, as per the final returns for any of the above years; e. Net loss of the exempted period (c-d); f. Net loss at 'e' set off in the earlier tax years after the exemption period as		

per Article 73 of the Law, with details of the amount and tax year of set off; g. Balance net loss available for set off (e-f) ; h. Loss at 'g' for which set off is claimed in this return as per Article 73 of the Law, to the extent of the taxable income (**) for this tax year.		
** NOTE: If both Format 1 and Format 2 are applicable for a tax year, the aggregate amount of loss for which set off is claimed under both the formats cannot exceed the taxable income for that tax year. Enter the total of the amounts at line 'e' of Format 1 and line 'h' of Format 2, or the amount at line 'e' of Format 1, or the amount at line 'h' of Format 2, as applicable to your case, against this line in your return.	13 14 15 16	S-40 T-38 V-36 U-36

10.20 - Tax Paid as per Provisional Return

Description	Form	App and Line
Provide the following details in the Appendix: a) tax amount paid, b) the date of payment, and c) a receipt number, if known	13 14 15 16	T - 43 U - 41 X - 41 W - 41

10.21 - Excess Tax Paid as per Final Assessment for Previous Years

Description	Form	App and Line
Provide the following details in the Appendix: a) the amount of excess tax, b) tax year, and c) the date of the assessment in which the excess has been determined Enter the total of such excess tax in the return.	13 14 15 16	U - 44 V -42 Y - 42 X - 42