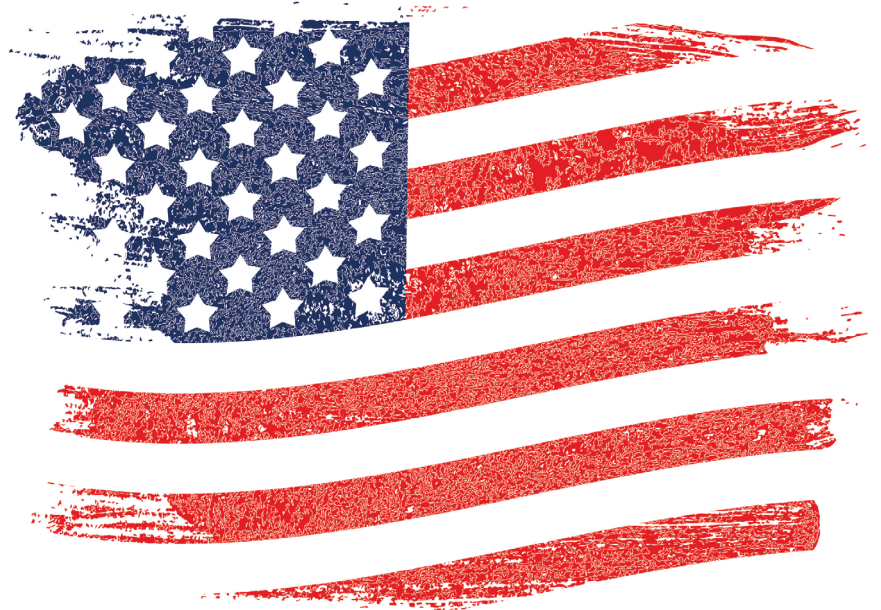


OMAN AND THE UNITED STATES – AN UNSUNG ALLIANCE

Oman wants US Nationals

A Free Trade Agreement exists between the US and Oman. Under this agreement, US nationals, and companies wholly-owned by US nationals, are permitted to wholly-own companies in Oman **without the requirement** for any shares in such companies to be owned by Omani nationals. This unique position for US nationals has improved trade relations between the two countries and gives US nationals a significant advantage over nationals of most other countries in doing business in Oman.



Why invest in Oman?

The Sultanate of Oman is located on the Arabian Peninsula and was formed in 1970, on succession of His Majesty Sultan Qaboos bin Said Al Said. It is primarily an oil and gas based economy with a population of approximately 4.7 million people (including approximately 45 percent expatriates). Oman's landscape is diverse, encompassing vast mountains, arid deserts and fertile plains. Arabic is the official language. However, English is widely used in business and commerce. Oman's currency is the Omani Rial and is pegged to the US dollar.

Oman is politically stable, economically open and competitive and maintains an independent judiciary. Oman is currently undergoing economic diversification, concentrating on sectors including tourism, logistics and industrial manufacturing. This represents significant opportunities for foreign businesses looking to enter the Oman market.

Types of corporate vehicles in Oman

The most common vehicles used by foreign businesses to enter the Oman market are the branch, limited liability company (**LLC**) and closed joint stock company (**SAOC**).

Branch – no separate legal personality and used for contracts with Oman Government entities and Government-owned companies.

LLC – simple form of limited liability entity with fixed capital and shares that can undertake work in both the public and private sectors.

SAOC – more complex form of limited liability entity used for larger and more diverse shareholder groups with less protections for minority shareholders.

There are also a number of free zones in Oman allowing 100% foreign ownership and tax concessions.

Quick facts about Oman

- ▶ Oman's geographic location makes it an ideal regional logistics hub.
- ▶ There is free trade between Oman and other GCC member states.
- ▶ Oman is a member of the World Trade Organisation.
- ▶ Residents pay no personal income tax.
- ▶ There are no restrictions on the expatriation of capital or profits.
- ▶ Customs exemptions apply for machinery and raw materials.

Legal system and courts

- ▶ Sharia law is the foundation for all laws in Oman.
- ▶ Much of Oman's legislation is consistent with legislation in force throughout the GCC. It is influenced by French civil law and common law.
- ▶ The Basic Law (Royal Decree No. 101 of 1996) sets out basic freedoms, confirms the independence of the judiciary and governs the process for issuing legislation.
- ▶ The Council of Ministers is the principle executive authority in Oman. Its powers are derived from, and it is accountable to, the Sultan.
- ▶ There are 3 tiers to Oman's courts, the Primary Court, the Appeal Court and the Supreme Court.

About Addleshaw Goddard

Addleshaw Goddard is a premium international law firm that offers a full range of commercial legal services. Our GCC presence comprises of offices in Muscat, Dubai and Doha. Our lawyers offer international expertise gained by working on complex and ground breaking multi-jurisdictional transactions combined with deep-rooted local law experience.

Our Muscat office is staffed by leading bi-lingual Omani and internationally trained and qualified lawyers and legal professionals. We can therefore advise on Oman law and represent clients in the Omani Courts without needing to engage separate local counsel.

Our corporate and company services team supports our clients with a full range of legal services, including company incorporations, share transfers, applications to renew commercial licences and general advice in connection with corporate governance matters.

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