

Oman Introduces Domestic Minimum Top-up Tax for FY 2025

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To (inside your company): Head of Tax • CFO • MNE Group Controller • International Tax Specialists

Executive takeaways

- Oman has introduced a Domestic Minimum Top-up Tax (DMTT) consistent with the OECD's Pillar Two framework.
- The DMTT ensures that any MNE group operating in Oman pays an effective tax rate of at least 15% on its Omani profits.
- The new rule is effective for fiscal years starting on or after 1 January 2025.
- The rules apply to multinational groups with global consolidated revenues exceeding €750 million.

What changed & why it matters

- **DMTT Enacted** — The Oman Tax Authority has published rules for a DMTT, a core component of the OECD's Pillar Two initiative. *Why it matters:* By implementing a DMTT, Oman ensures it collects the tax revenue from the global minimum tax framework directly.
- **Compliance Impact** — For large MNEs operating in Oman, this introduces a new, complex layer of tax calculation. They must now calculate their Omani ETR according to the detailed Pillar Two rules and pay a local top-up tax if it falls below 15%. *Why it matters:* This requires substantial data and new calculation capabilities.

Action checklist

- Verify if the MNE group falls within the €750M revenue threshold.
- Identify all constituent entities of the group located in Oman.
- Initiate a data collection project to source the financial and tax data points needed for the GloBE ETR calculation.
- Develop a calculation model to determine the ETR for the Omani subgroup and quantify any potential DMTT liability.
- Review and adapt ERP and financial consolidation systems to capture the required Pillar Two data.

Impact matrix

Compliance	H
Systems/ERP	H
Finance/Cash	H
Operations	M
Documentation	H
Training/Change	H

Timeline

- Now — launch Pillar Two implementation project
- 30 days — complete data gap analysis & ETR modeling
- Quarter — begin system change workshops

Take Away

Oman's adoption of a DMTT makes Pillar Two an immediate reality for large MNEs in the Sultanate. The compliance burden is significant and requires a proactive, data-driven approach. Groups must act now to understand their Omani ETR under the new rules and prepare their systems for the first reporting cycle.

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