

Oman is unique in that it's an absolute monarchy located on the Arabian Peninsula at the mouth of the Persian Gulf. With a strong sense of tourism, Oman is an attractive location for companies looking to establish a presence in the Middle East.

Expanding to Oman isn't as easy as choosing an office space and getting to work. You have to set up your Oman payroll, hire employees, and give out benefits, all while staying compliant. When you need a partner to help you expand quickly, Globalization Partners can make a difference with our Oman payroll outsourcing services.

Taxation Rules in Oman

Both employees and employers have to worry about tax in Oman, including social security contributions. Employers must contribute 10.5% of wages to social security and another 1% for industrial illnesses and injuries. Employees contribute 7% of their wages to Oman's social security program.

As an employer, you're also responsible for paying corporate taxes. Once you provide services in Oman for 90 days or more within 12 months, you're considered a permanent establishment that must pay corporate income taxes. All businesses, branches, and permanent establishments have to contribute 15% of their taxable income.

Oman Payroll Options for Companies

Companies have a variety of different Oman payroll options to choose from, including:

- Remote: Your parent company may already run its own payroll where you can add all your subsidiary's employees. While this option can streamline payroll, all employees will have separate regulations depending on their location.
- Internal: If you would like to operate in Oman for years to come, you may want to set up an internal Oman payroll in your subsidiary. However, you'll need the budget to hire a full HR staff.
- Oman payroll processing company: If you'd rather outsource your payroll, you can

choose to work with an Oman payroll processing company. Just keep in mind that you'll still be held compliant.

- Globalization Partners: Choosing Oman payroll outsourcing with Globalization Partners is the only option that will take care of your payroll and all matters of compliance.

How to Set Up a Payroll in Oman

Companies expanding to Oman through the traditional route have to establish a subsidiary before they can choose an Oman payroll option. The subsidiary setup process isn't black and white, however, and it can take up to a few months to incorporate in the country. However, choosing Globalization Partners means you can use our existing Oman subsidiary and start working in a few days. Instead of worrying about your payroll, you can focus on growing your company.

Entitlement/Termination Terms

Figuring out entitlement and termination terms is often difficult when you're expanding to a new country. It can help to outline these terms in an employment contract before hiring an employee and adding them to your compliant payroll. Oman allows probationary periods of up to three months as well as fixed-term contracts. Notice of termination depends on the type of contract, and employees are often eligible for an indemnity payment.

Payroll Processing Company in Oman

Globalization Partners is here for you with Oman payroll outsourcing services. Contact us today to learn more.