Moving Forward with Confidence

Al Buraimi Governorate

محافظة البريمي

Financial Law

Royal Decree

No. 37/2025

Promulgating the Financial Law

We, Haitham bin Tariq, ***Sultan of Oman***

After perusal of the Basic Statute of the State,

And the Financial Law issued by Royal Decree No. 47/98,

And the State Financial and Administrative Oversight Law issued by Royal Decree No. 111/2011,

And after presentation to the Council of Oman,

And in pursuance of the public interest,

Have decreed as follows:

Article One

The provisions of the attached Financial Law shall be enforced.

Article Two

The Minister of Finance shall issue the executive regulations of the attached Law, as well as the decisions necessary for its implementation. Until such regulations and decisions are issued, the existing regulations and decisions shall remain in force to the extent that they do not conflict with its provisions.

Article Three

The aforementioned Financial Law is hereby repealed, as is any provision that contradicts the attached Law or is inconsistent with its provisions.

Article Four

This Decree shall be published in the Official Gazette and shall come into force sixty (60) days from the date of its publication.

Issued on: 8 Shawwal 1446 AH

Corresponding to: 7 April 2025 AD

Haitham bin Tariq
Sultan of Oman

Financial Law

Chapter One

Definitions and General Provisions

Article (1)

For the purposes of implementing the provisions of this Law, the words and expressions set out below shall have the meanings assigned to each of them, unless the context requires otherwise:

1. Ministry:

The Ministry of Finance.

2. Minister:

The Minister of Finance.

3. Concerned Authority:

Any unit of the state administrative apparatus or other public legal persons.

4. Authorized Officer for Expenditure:

The head of the concerned authority, the Undersecretary of the Ministry, or their equivalent, and any other employee authorized for expenditure by a legally granted authority to approve payments and authorize collections.

5. State-Owned Funds:

Funds—movable or immovable—owned by the state, whether publicly or privately.

6. General Budget:

The financial program prepared for a forthcoming fiscal year to achieve specific objectives, within the framework of the approved development plan and in accordance with the state's general policy.

7. Unified Treasury Account:

The central account into which all state revenues are deposited and from which all expenditures are made.

8. Regulations:

The executive regulations of this Law.

Article (2)

The provisions of this Law shall apply to the concerned authorities, except for those authorities explicitly exempted from its provisions by the Law or by the Royal Decree establishing or regulating them.

Article (3)

The fiscal year shall begin on the 1st of January and end on the 31st of December of each year.

Article (4)

Before taking any action to issue a Law, Royal Decree, or Ministerial Decision involving a financial aspect or imposing financial obligations on the public treasury, the concerned authorities must obtain the approval of the Ministry.

Article (5)

The Ministry shall have the right to obtain copies of reports prepared by the State Financial and Administrative Oversight Authority relating to financial, accounting, taxation, and fees matters.

Article (6)

The Minister may second any of the Ministry's employees specialized in financial and accounting matters to work with any concerned authority to exercise the financial and accounting powers specified.

Chapter Two

Financial Competences and Authorities

Article (7)

The Authorized Officer for Expenditure shall exercise the financial competences and authorities granted to them in accordance with laws, Royal Decrees, regulations, systems, and procedures in force.

The Authorized Officer for Expenditure may delegate some of their financial competences and authorities to their subordinates whose positions are not lower than Department Director level, in accordance with the manner specified in the Regulations.

Article (8)

Within the scope of applying the provisions of this Law, the Ministry shall undertake the following:

1- Notify the concerned authorities of the rules governing the preparation of their draft budgets annually and take necessary measures if the concerned authorities fail to submit their estimated budgets within the specified deadlines.

2- Waive the recovery of amounts wrongfully disbursed and take measures to write off losses and cancel debts, under the cases and conditions specified in the Regulations.

3- Issue instructions to define the scope of oversight and mechanisms for verifying the correctness of revenue collection and public expenditure, as well as the policies and procedures that the concerned authorities must follow in this regard.

4- Approve requests submitted by the concerned authorities to adjust the ceilings of public expenditure and approved development allocations, in accordance with the provisions set out in the Regulations.

5- Prepare the rules governing independent and annexed general budgets and their final accounts.

6- Issue decisions regulating the internal audit units and their staff in all concerned authorities.

7- Take measures to invest state-owned funds and oversee them, without prejudice to the competences of the Oman Investment Authority.

8- Prepare an accounting and financial system for the concerned authorities; special systems may be prepared for some of them in accordance with the nature of their competences, and the Ministry may also approve templates for documents and financial records to implement the accounting systems.

9- Ensure that all concerned authorities maintain financial records and documents according to the approved templates, record them regularly within the specified deadlines, insure assets and property against risks,and comply with the classification of the general budget.

10- Take necessary measures to ensure that the imposition and collection of taxes and fees are carried out in accordance with the applicable laws, regulations, and systems issued for their implementation.

11- Take immediate action upon notification of any violations of the provisions of laws, regulations, and financial systems and procedures, notifying the State Financial and Administrative Oversight Authority to take the necessary measures, without prejudice to the concerned authorities taking administrative or criminal accountability measures as appropriate.

12- Determine the cases in which amounts due to the state may be paid in installments, in accordance with the conditions and procedures specified in the Regulations.

13- Prepare standardized templates for contracts of construction, supply, services, and others concluded by the concerned authorities and amend them in coordination with the competent authorities.

14- Follow up with the concerned authorities to provide the Ministry with required financial schedules, statements, and account records with banks within the specified deadlines.

Article (9)

The Minister shall have full authority to take the necessary measures to safeguard state-owned funds and issue the rules regulating them.

Article (10)

Authorized Officers for Expenditure—each within the limits of their competence—shall be responsible for implementing the provisions of this Law, its Regulations, and the decisions issued for its execution.

Chapter Three

Taxes, Fees, and Other Amounts Due to the State

Article (11)

The concerned authorities may impose fees for the services they provide, subject to the approval of the Minister.

Article(12)

Subject to the provisions of the Unified Customs Lawofthe Gulf Cooperation Council (GCC) States regarding categories of customs duties, no measures toimpose, amend, or cancel any tax may be taken except after submission to the Minister for an appropriatedecision. In case of approval, the decision shall specify the tax categories, rates, base, conditions and circumstances of entitlement, collection methods, and other elements before referring it to the Council of Ministers for ratification.

Article (13)

Before taking any measures to impose, amend, or cancel any of the following fees, the concerned authorities must obtain the approval of the Council of Ministers, without prejudice to the provisions of Article (11) of this Law:

1- Fees imposed for work permits for non-Omanis in accordance with the provisions of the Labor Law.
2- Transit and departure fees.
3- Fees for educational and medical services.
4- Tariffs for electricity, water, sewage, environmental services, and the waste management sector.
5- Other fees and charges that the Ministry deems necessary to submit to the Council of Ministers.

Article (14)

The concerned authorities are exempt from all taxes unless otherwise provided by a specific legal provision.

Article (15)

Exemption from any tax may only occur in cases provided for by law, and within the limits, conditions, and restrictions stipulated therein. Similarly, exemption from any fee, duty, or other amounts due to the state is only permissible in cases provided for by laws, Royal Decrees, or implementing regulations, and within the limits, conditions, and restrictions set forth therein.

Exemptions shall be issued by a decision of the Minister or their delegate, based on a request from the head of theconcerned authority, in accordance with the controls and procedures specified in the Regulations.

Article(16)

The refund of taxes, fees, or other amounts due to the state that were previously paid without justification shall be made in accordance with the conditions and procedures specified in the Regulations.

Chapter Four

State-Owned Funds

Article (17)

No state-owned funds may be acquired, nor may any other real right be established over them by prescription, seizure, encroachment, or infringement. In cases of encroachment or infringement, immediate administrative measures must be taken to remove the encroachment or infringement, along with the necessary legal procedures to claim compensation for any resulting damages.

In all cases, the possessor, occupant, offender, or encroacher is required to evacuate immediately and restore the property to its original state using coercive force if necessary and without compensation, without prejudice to criminal liability.

Article (18)

No transactions may be carried out with state-owned funds held as public property—of any type—unless their public utility status has been removed.

As an exception, a portion of these funds may be leased or used for private benefit in accordance with the legally prescribed provisions.

Article (19)

Disposition of state-owned private property shall be for consideration, and such property may not be disposed of without consideration, or leased for a nominal rent or for less than the prevailing market rent, except for the purpose of achieving a public interest.

Article(20)

The disposal of state-owned funds held as private property shall be made through a public auction. As an exception, direct agreements may be used for disposal, in accordance with the provisions specified in the Regulations.

Article (21)

Amounts due to the state from the sale price and its accessories shall have a lien on the sold property. The lien shall not remain in effect—if it applies to movable property—unless the sold item retains its identity. The state shall recover the amounts due from the price of the encumbered movables without prejudice to the rights acquired in good faith by third parties, and in compliance with the system for collecting taxes, fees, and other amounts due to units of the state administrative apparatus.

Article (22)

No real rights, whether primary or accessory, may be established on state-owned funds held as private property except in cases and according to the conditions, procedures, and arrangements determined by the laws regulating such rights.

Article (23)

Leasing of state-owned funds shall be conducted through a public auction. As an exception, direct agreements may be used for leasing, in accordance with the provisions specified in the Regulations.

Article (24)

The rent due to the state for the lease period, and any other right arising therefrom under the lease agreement, shall have a lien on the movable property owned by the lessee and present in the leased property, which may be subject to seizure. The state shall recover the amounts due from the sale of the encumbered movables without prejudice to the rights acquired in good faith by third parties, and in compliance with the system for collecting taxes, fees, and other amounts due to units of the state administrative apparatus.

Article(25)

State-owned funds must be inspected, inventoried, maintained, and insured, and necessary measures must be taken in the event of loss, damage, or destruction of any of them.

State-owned funds held as private property must also be accounted for, recorded in the designated registers, their documents preserved, and entries made in accordance with the applicable laws and systems.

Chapter Five

General Budget

Article (26)

When classifying the general budget, it shall include all estimated revenues and expenditures in a manner that ensures optimal use of state resources efficiently and effectively and guarantees the achievement of the strategic objectives of the state.

Article (27)

The Ministry shall issue an annual circular specifying the rules that the concerned authorities must adhere to when preparing their budget proposals, in accordance with the state's financial policy and the planned objectives to be achieved.

Each concerned authority is obliged to submit its budget proposal to the Ministry using the prescribed forms at least six (6) months before the start of the fiscal year.

Article (28)

The Ministry shall prepare the state's general budget and submit it to the Council of Ministers for discussion and recommendations, and then refer it to the State Council and the Shura Council for review andrecommendations according to the legally prescribed deadlines.

Thedraft budget is then returned to the Council of Ministers for consideration of the recommendations fromboth councils and referred back to the Ministry along with their recommendations. The Ministry shall studythese recommendations and present the results to the Council of Ministers, which will notify the Shuraand State Councils of any recommendations not adopted, providing reasons for the decisions.

Article(29)

The Ministry shall prepare the final draft of the generalbudget in compliance with the provisions of this law and its Regulations and shall take the necessary measures during the month of December each year to approve the general budget.

Article (30)

The approval of the general budget shall be issued by Royal Decree at the beginning of the fiscal year. Upon its issuance, the concerned authorities shall have the power to carry out expenditures and collect revenues.

If the Royal Decree approving the general budget is not issued at the start of the fiscal year, expenditures shall be limited to the appropriations listed in the previous fiscal year's budget until the decree is issued, taking into account any reductions included in those appropriations as proposed by the concerned authority when submitting its budget proposal.

Article (31)

In the case of urgent or exceptional current expenditures, the Minister may authorize the concerned authority to spend an additional amount necessary to address the situation, within the limits of available financial resources.

Article (32)

Disposal of remaining appropriations in the general budget that have not been spent shall be carried out in accordance with the rules specified in the Regulations.

Article (33)

The state shall maintain a unified treasury account. The Regulations shall specify the rules and procedures related to this account. As an exception, the Ministry may authorize certain authorities to open special accounts, either with banks inside or outside the Sultanate of Oman, in accordance with the conditions and procedures set forth in the Regulations.

Chapter Six

State Final Accounts

Article (34)

The Ministry shall issue an annual circular specifying the deadlines by which the concerned authorities must submit their final accounts, as set forth in the Regulations.

Article (35)

The Ministry shall prepare the final accounts of the state for the concluded fiscal year, which shall include:

1. Actual revenues and expenditures classified according to the general budget.
2. The financial positions of the state's accounts at the end of the fiscal year.

Article (36)

The final accounts shall be submitted to the Council of Ministers for review, and a copy shall be sent to the State Financial and Administrative Audit Institution.

The Minister shall submit the final accounts to His Majesty the Sultan no later than the first of July each year.

The tables of the final accounts shall be published in the Official Gazette.

Article (37)

The Ministry shall submit to the Council of Ministers a semi-annual statement on the developments of the state's financial position, detailing actual expenditures across the various budget items, the state's account balances with local and foreign banks, the financial status of collected and repaid loans and aids, outstanding liabilities, and other elements necessary to monitor the state's financial position.

ChapterSeven

Financial Violations

Article (38)

Subject to the provisions of the State Financial and Administrative Audit Law, the following shall be considered financial violations:

1- Failure of the concerned authorities to comply with the provisions of the applicable financial laws, regulations, rules, and procedures, particularly the provisions of this Law, its Regulations, and the decisions issued for its implementation.

2- Exceeding the appropriations included in the approved general budget in violation of the provisions of this Law.

3- Ordering commitments or expenditures exceeding the appropriations of any budget chapter of the concerned authority, without adhering to the provisions of financial laws and regulations or following the procedures stipulated in this Law, its Regulations, and the decisions issued for its implementation.

4- Failure to follow the legally prescribed procedures for administrative enforcement when a debtor defaults on payments to the concerned authority within the specified deadlines.

5- Negligence or dereliction resulting in the loss of any financial right of the state or exposing such right to potential loss.

6- Failure of the concerned authorities to submit their budget draft or final accounts, submission after the specified deadlines, or refusal to provide the data requested by the Ministry to prepare the general budget and final accounts on time.

7- Opening bank accounts by the concerned authorities without authorization.

Article (39)

Without prejudice to the provisions of the aforementioned State Financial and Administrative Audit Law, theconcerned authorities shall hold their employees accountable for any financial violations they commit, inaccordance with the applicable laws and regulations, and shall notify the Ministry of the outcomes.

ChapterEight

Prescription of Financial Rights

Article (40)

The limitation periods for applying the provisions of this Law are determined as follows:

1. Financial rights of natural persons and private legal entities against the concerned authorities shall prescribe upon the expiry of five (5) years.
2. Financial rights of the concerned authorities against natural persons and private legal entities shall prescribe upon the expiry of seven (7) years.

The prescription period begins from the time the debt becomes due. In the case of salaries, wages, and their equivalents owed by the authorities to their employees, the prescription period begins from the date they become due. Likewise, the prescription period for the authorities to recover amounts previously disbursed without right to individuals or private institutions or companies starts from the date of such disbursement.

Article (41)

Prescription does not apply whenever there is an impediment preventing the creditor from claiming their right. Prescription is interrupted by a legally valid claim or by the debtor's explicit or implicit acknowledgment. A new prescription period begins from the date the effect of the interrupting cause ends, and its duration is the same as the original limitation period. However, if a final judicial judgment is issued regarding the debt, the new limitation period shall be fifteen (15) years, starting from the date of that judgment.

Article (42)

Prescription under the provisions of this Law results in the extinguishment of the financial rights.

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