

## General

### 1. What is VAT?

Value Added Tax or VAT, is an indirect tax applied upon consumption of goods and services and levied by a VAT registered business, which makes supplies of goods and services in the course of business. VAT is levied at each stage in the supply chain and is collected by VAT registered businesses on behalf of the Government. VAT is ultimately borne by the end consumer. VAT is also applied on the importation of goods and services.

The standard rate of VAT in Oman is 5% on a supply of most goods and services, with exemptions / special treatment for essential food items, medical care, education and some products and services of financial institutions.

### 2. Is QNB required to charge VAT?

Yes. Being a VAT registered person in Oman, QNB's banking services will be subject to VAT. VAT at the standard rate of 5% will be applicable on fees, commissions and commercial discounts when charged for banking products and services. VAT collected from the customers will then be remitted to the Oman Tax Authority.

Certain banking products and services such as interest on loans/advances, interest on credit cards, interest on interbank placement of funds and implicit margins on currency exchange are exempt from VAT in Oman.

Note: VAT treatment for customers who are non-resident in Oman may differ.

### 3. When will QNB start charging VAT?

As per the issued Royal Decree 121/2020 pertaining to the implementation of VAT, the VAT system will be effective from Friday 16th April 2021.

### 4. What are the registration details of QNB?- (provide Tax Identification number of QNB)

Our registered VATIN (VAT Identification Number) with the Oman Tax Authority is OM1100027415.

### 5. How will VAT be charged to me?

VAT at the standard rate of 5% will be applied on QNB's charges for taxable goods and services. For example, if QNB charges RO 2 as a printing fee for issuing a cheque book of 25 leaves, then 0.1 Bz. (RO 2/- x 5%) will be charged as VAT. Therefore, the total amount to be paid to QNB for printing a cheque book would be RO 2.1/- (inclusive of VAT).

### 6. Where can I check the VAT charged by QNB?

QNB will issue a tax invoice and send the same through email to the customer.

### 7. Will VAT charges be refunded if my transaction is cancelled or unsuccessful?

If a transaction attracting VAT is cancelled or unsuccessful, the corresponding VAT charged to the customer will be refunded to the customer's bank account.

### 8. Whom should I contact in case of any query related to VAT?

In case of any queries in this regard, please send your queries to [QNBomanVATinquiries@qnb.com](mailto:QNBomanVATinquiries@qnb.com). For further information, please visit the Oman Tax Authority's website <https://tms.taxoman.gov.om>

## Accounts

### 1. Is VAT applicable on deposits or withdrawals made from current, term or savings accounts?

Any deposits into or withdrawals from saving/current accounts shall not be subject to VAT. However, if there are service charges or fees levied by the bank, then it will be subject to VAT.

### 2. Which 'accounts' related services will attract VAT?

Any 'accounts' related services that attract explicit fees, commissions, commercial discounts or similar charges are subject to VAT at the standard rate of 5%.

Note: VAT treatment for customers who are non-resident in Oman may differ.

### 3. Which 'accounts' related services will not attract VAT?

Any 'accounts' related services that does not attract explicit fees, charges, commissions, commercial discount or similar charges shall not be subject to VAT (e.g. interest, implicit margin, etc.).

## Remittances

### 1. Is VAT applicable on amounts transferred from my account to a local account?

Supply of financial products/services by QNB in return for explicit fees, commissions, commercial discounts or similar charges shall be subject to VAT at the standard rate of 5%. QNB will apply VAT at the standard rate of 5% on fees charged for local inward/outward remittance between banks.

Note: VAT treatment for customers who are non-resident in Oman may differ.

### 2. Which 'remittances' related services will attract VAT?

Any supply of financial products/services that attract explicit fees, commissions, commercial discounts or similar charges are subject to VAT at the standard rate of 5%.

Note: VAT treatment for customers who are non-resident in Oman may differ.

### 3. Which 'remittances' related services will not attract VAT?

Any supply of financial products/services that does not attract explicit fees, commissions, commercial discount or similar charges shall not be subject to VAT (e.g. implicit margin, etc.).

## Credit Card

### 1. Will VAT charges apply on the late payment of dues on credit card?

Yes, if the late payment of dues results in QNB charging the customer an explicit fee or a commission. Where the late payment of dues results in QNB charging the customer interest on the unpaid dues, VAT shall not apply.

## Trade Finance

### 1. Will VAT be applicable on Trade Finance products and services?

In general, all explicit fees, commissions, commercial discounts or similar charged for trade finance products and services such as facility fees, commission on issuance of LC, guarantees and etc. are subject to 5% VAT. However, services such as Export shall be subject to Zero Rated (0%) VAT. The interest charged on the utilization of the trade finance products is exempted.

## Financial Market

### 1. Will VAT be applicable on Foreign Exchange or Swaps?

VAT is only applicable on financial services that attract an explicit fees, charges, commissions, commercial discount or similar charges. Financial services where are conducted on an implicit margin and interest such services to be exempted from VAT.

## Tax Invoice

### 1. When do I receive the tax invoice from the bank?

The tax invoice will be mailed to the customer's registered email ID with the bank periodically. The Customer also can visit the branch and request for a printed tax invoice if required. The customer has to update his or her email ID and its required details with the branch if not updated to ensure he or she is receiving the tax invoice.

### 2. Will there be charges for receiving a Tax Invoice?

No.