

Decision No. 323 /2015
Issuing the Regulation organizing the Investment Environment at
the Special Economic Zone at Duqm

In pursuance to Royal Decree No. 119/2011 establishing the Special Economic Zone Authority at Duqm and issuing the Zone's Articles and Articles of the Special Economic Zone at Duqm issued in pursuance to Royal Decree No 79/2013;

Royal Decree No. 44/2014 lifting the capacity of a public utility from some of the schemes within the scheme of the Special Economic Zone Authority at Duqm;

Approval of the Board of Directors of the Special Economic Zone Authority at Duqm in the Board's third meeting held on 16 June 2014.

And on the basis of public interest,

It has been decided:

Article One

The attached Regulation shall apply to regulating the investment environment at the Special Economic Zone at Duqm.

Article Two

The projects, whether in the form of a sole proprietorship, company, branch of a company or foreign firm and the professional and handicraft activities existing at the Special Economic Zone at Duqm on the date this Regulation has come into force must regularize their situations, within one year from the date this Regulation has come into force, in accordance with the provisions of this Regulation.

Article Three

There shall be abolished everything that contravenes this Decision, the Regulation attached thereto or contradicts with its provisions.

Article Four

This decision shall be published in the Official Gazette and shall be effective from the date following the date of publishing.

Issued on: 21 Ramadhan 1436hijri
Corresponding to: 8 July 2015

Yahya bin Saeed bin Abdullah Al-Jabiry
Chairman, Board of Directors

The Regulation organizing the Investment Environment at the Special Economic Zone at Duqm

Chapter One Definitions and General Provisions

Article (1)

In the application of this Regulation, the following words and terms shall have the meanings assigned thereto them unless the context otherwise requires:

Authority:

The Special Economic Zone Authority at Duqm

Zone:

The Special Economic Zone located in the State of Duqm for the purposes of establishing the economic and service projects and other projects within the boundaries and location shown in the Scheme attached to Royal Decree No. 119/2011 and Royal Decree No. 44/2014 referred to above.

Board:

Board of Directors of the Authority

Chairman:

Chairman of the Board

Projects:

The projects licensed to be established at the Zone, whether in the form of individual institutions, firms, company branches or foreign institutions or the licensed professional or handicraft activities to be practiced at the Zone.

Economic Activity:

Any commercial, industrial, agricultural, tourism, real estate, media, service or professional activity, and any other activities required for the work within the Zone that does not contravene with the laws in force in the Sultanate.

Permit:

The approval issued by the Authority to the project to practice an economic activity at the Zone.

Article (2)

Provisions of this Regulation shall apply to the Enterprises that practice an economic activity. In case that there is no special text provided for thereon in this Regulation and the decisions issued in implementation thereof, provisions of the laws, regulations and rules relevant to the licensed activity, in force in the Sultanate, shall apply thereto.

Article (3)

Licensing to practice any economic activity under the jurisdiction of another body is subject to the consent of that body before starting the activity.

Chapter Two Licensing Procedures

Article (4)

No Enterprise shall engage in any economic activity within the Zone, except after obtaining a license therefor from the Authority in accordance with the provisions of this Regulation.

In case of any Enterprise wishes to practice more than one activity within the Zone, the subject Enterprise must obtain a license for each activity in accordance with the provisions of this Regulation and the decisions issued in implementation thereof.

Article (5)

No Enterprise shall start outfitting any facility or carrying out any preparatory works, except after submitting a license application and obtaining the preliminary approval of the Authority in accordance with the provisions of Article (8) of this Regulation.

Article (6)

No Enterprise shall be licensed to practice any prohibited or restricted activity except after satisfying the legally prescribed conditions and procedures for lifting the prohibition or restriction.

Article (7)

The licensing application shall be submitted to the Authority by the proprietor or his legal representative on the form prepared for this purpose, attaching therewith the documents determined in the mentioned form.

The Authority may request the documents and data that it deems necessary to decide on the license application, and the application shall be deemed canceled if the applicant has not provided all the documents specified in the form within twenty (20) business days from the date of the notification thereof.

Article (8)

The Authority must study the license application and verify that the necessary documents and data have been satisfied and issue the temporary preliminary approval or reject it, stating the reasons therefor, within (15) fifteen business days from the date of submission of the application, along with the necessary documents and data.

The concerned bodies are prohibited from engaging in practicing any activity except after obtaining the final license.

Article (9)

The issued temporary preliminary approval shall be coupled with defining the conditions to be met, until such time as the legally prescribed inspection procedures on the facility are conducted, following the setup and outfitting of the facility, during the specified deadline to enable the issuance of the final license.

Article (10)

The economic activities contained in the table attached to this Regulation are subject to inspection by the Authority before the issuance of the license and engagement in practicing the economic activity.

Article (11)

In case that the Authority has become convinced that the conditions required for practicing the economic activity have not been met, the Authority may take one of the following two actions:

1. Grant the Enterprise a final deadline to satisfy the conditions necessary for practicing the activity.
2. Reject the license application and in which case the temporary preliminary approval shall be deemed as "not issued".

Article (12)

The Applicant must, after meeting all the conditions contained in the temporary preliminary approval for practicing the activity, notify the Authority thereof for obtaining the final license. The Authority shall, after making sure that all the conditions have been met, issue the final license within (15) fifteen business days from the date it has received the notification from the Applicant.

Article (13)

The term of the license is (1) one year from the date of issue, renewable for a similar period or other similar periods based an application submitted by the concerned body within not less than (30) thirty days before the expiry of the term, subject to meeting all of the legally prescribed conditions and payment of the prescribed fee.

In case of rejection of the licensing application or renewal thereof, the rejection decision must be justified.

Article (14)

The Applicant shall be notified of the rejection decision of his application at the address recorded in the license application, however the concerned body may contest the rejection decision by submitting an application thereof to the Chairman within (60) sixty business days from the date the rejection notification has been served to him, stating therein the reasons for the appeal and the supporting documents thereof, along with a copy of the contested decision.

Article (15)

The appeal shall be reviewed and a decision be taken thereon, either by accepting or rejecting, within not more than (30) thirty business days from the date of submission and notify the concerned body of the result of the appeal. In case of elapse of the said period without any decision being taken thereon, the decision shall be deemed as "acceptable". In all cases, the decision of the Chairman on the appeal is final.

Chapter Three

Obligations and Prohibitions

Article (16)

The Authority may request the documents and data it may deem appropriate or carry out inspections to verify that the enterprises that have been licensed to practice the economic activity within the Zone are committed to the provisions of this Regulation, conditions of the licenses issued to them and the laws in force in the Sultanate.

Article (17)

The Enterprises that have been licensed to practice the economic activity at the Zone shall be committed to the following:

1. Observe the Sultanate's obligations in pursuance to the international agreements relevant to the licensed economic activity.
2. Be committed to the laws in force in the Sultanate, the regulations and decisions issued by the Authority.
3. Abide by the conditions contained in the licenses issued to them.
4. Maintain the necessary registers and provide the data and information determined by the Authority.
5. Pay, on time, the legally payable fees and taxes.
6. Collaborate with the law enforcement employees of the Authority, enable them to discharge their legally prescribed functions and facilitate the performance of their work.
7. Notify the Authority immediately of any amendments may occur in the data contained in the licenses issued to them or in the headquarters of their businesses.
8. Abide by the prescribed Omanisation percentages.

Article (18)

The Enterprises that have been licensed to practice the economic activity at the Zone are prohibited from the following:

1. Practice any activity other than the ones specified in the licenses issued to them.
2. Concede the license without written approval from the Authority.
3. Modify the legal form of the Enterprise without written approval from the Authority.
4. Take any action that may impede the work at the Zone, contravene with its objectives or threaten the security of the enterprises, investors, their employees and residents or expose their safety to danger.
5. Possess goods originating in the countries the Sultanate has decided to economically boycott them.
6. Possess spoiled, impaired or expired foodstuff, or has negative impact on the environment.
7. Possess goods carrying writings, drawings or signs that contravene with the beliefs, teachings, and concepts of Monotheistic religions or contradict with the ethics and morals.
8. Possess goods that violate the intellectual property protection, and the industrial, commercial, literary and artistic laws in force in the Sultanate.
9. Possess goods that are banned entry into the Sultanate.

10. Violate the conditions and requirements of public health, safety and environment preservation.

Chapter Four Cancellation and Suspension of Licensing

Article (19)

The license issued to the enterprise shall be cancelled in the following cases:

1. If it has proved that the license has been issued based on incorrect data and information or forged documentations.
2. If it has proved that the enterprise has practiced one of the activities that are prohibited to be practiced at the Zone.
3. Upon the request of the licensed enterprise.

Article (20)

The Authority may suspend the license issued to the enterprise or impose an administrative fine of not more than (100,000) Hundred Thousand Omani Rials or both penalties in the following cases:

1. In case the enterprise violates any of the conditions contained the license.
2. Violate any of the laws in force in the Sultanate, the regulations and decisions issued by the Authority.
3. Cease to practice the licensed activity for more than (3) three months without acceptable reasons.
4. Conduct any work that, directly or indirectly, threatens the public health, public safety or environment preservation at the Zone.
5. Failure to pay the fees or any other amounts due to the State on time.
6. Sale of the whole facilities and technical installations erected by the enterprises on the rented lands without notifying the Authority.

In case of persistence of the violation after suspension of the license or imposition of the fine, the Authority may consider cancellation of the license.

Article (21)

The Authority may not suspend the license issued to the Enterprise in the cases provided for in Article (20) of this Regulation before notifying the concerned body of the violation attributed to the Enterprise and determine the deadline for removal and elapse of the said deadline without removal of the reasons of the violation.

Article (22)

The concerned body may contest the decision issued on the suspension of the license or cancellation thereof based on an application submitted to the Chairman within (60) sixty days from the date of the notification. The appeal must be decided thereon within (30) thirty days from the date of submission.

In case of elapse of the said period without any decision being taken thereon, the decision will be deemed as “acceptable”. In all cases, the decision of the Chairman on the appeal is final.

Table of the economic activities subject to inspection by the Authority before granting the final license and engagement in practicing the economic activity

S/N	Economic Activity
1	Storage and transportation of petroleum and its derivatives
2	Storage and transportation of natural and liquefied gas
3	Heavy industries
4	Food industries
5	Pharmaceutical industries
6	Restaurants
7	Cinemas
8	Commercial complexes
9	Chemical materials warehouses
10	Foodstuff warehouses
11	Schools and scientific institutes
12	Health centers and hospitals
13	Nurseries
14	Liquid, solid and dangerous wastes disposal installations
15	Disposal installations for liquid, solid and dangerous wastes