



EMPLOYMENT IN OMAN



Formerly a maritime empire, Oman is the oldest continuously independent state in the Arab world. It is situated on the Southeastern coast of the Arabian Peninsula, and spans the mouth of the Persian Gulf. Oman's Labor Law is stipulated by the Royal Decree 35/2003 and is issued by the Sultanate of Oman. Omani employment laws are implemented through royal decrees and ministerial decisions, reflecting the constantly changing nature of laws governing employees and employers in Oman.

Oman has implemented a policy of Omanisation which regulates the employment of expatriate talent, aiming to give priority to Omani workers. Below is some key information about employment in Oman, intended to provide a brief overview of employment law in Oman. It is not intended

as a substitute for legal advice and counsel.



WORKING TIME AND OVERTIME

The standard work week comprises 45 hours per week (9 hours per day). During Ramadan, work hours are reduced to 30 hours per week (6 hours per day). Any hours worked outside of this must be paid as overtime and regulated by employment contracts / collective agreements. When an employee is asked to work overtime or during holidays, this should not exceed 12 hours per day. All overtime hours in excess of 45 hours per week are paid at an overtime compensation rate of 125% of the employees' regular salary for daylight hours and 150% for hours worked at night.

ANNUAL LEAVE

Following six months of continuous service at one organisation, employees are entitled to 30 days' annual leave, paid at 100% of their regular salary. In addition to this, Oman has 10 public holidays.

TRIAL PERIOD

Probation periods in Oman must be detailed in the employee's employment contract and should not exceed three months.

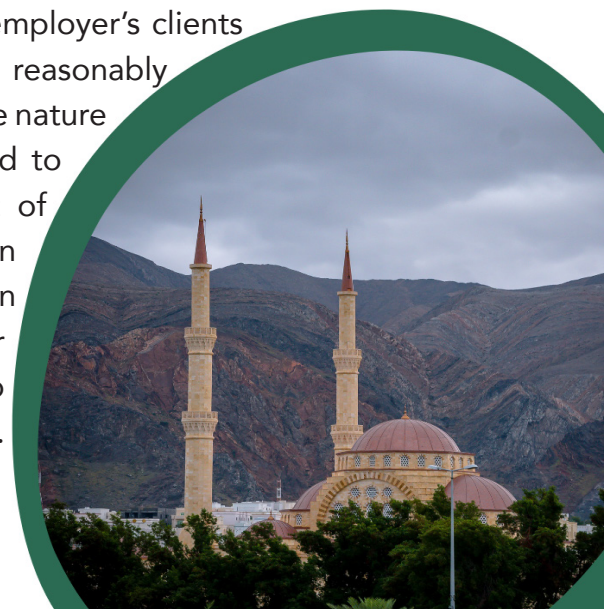
RESIGNATION AND DISMISSAL

The termination process varies according to the employment contract in place and on the type of contract and reason for termination. Employers must have reasonable grounds for terminating an employee. All notices must be provided in writing. When dismissing an employee, employers must grant severance pay based on the employee's length of service.

- 0-3 years: 15 calendar day's basic salary
- 3+ years: 30 calendar day's basic salary

RESTRICTIVE COVENANTS

It is permissible to have restrictive covenants contained in the contract of employment, provided that that employee has become acquainted with the employer's clients or confidential information and the covenants are reasonably drafted in relation to duration, geographic scope and the nature of the business to be protected. Parties are permitted to include a liquidated damages clause in the contract of employment, as it is not possible to obtain an injunction in Oman. Non-compete clauses typically last no longer than 6-12 months, and customer non-solicit clauses no longer than 12-24 months. Employee non-solicits are also permissible and should last no longer than 12-24 months.



CONTRACT OF EMPLOYMENT

The Omani contract of employment must be written in Arabic, or a translation must be formalised and notarised in Arabic. Though a written contract is not required, it is advisable and must contain the following: Name of the employer, establishment and address of work Name of the worker, date of birth, qualifications, occupation, place of residence and nationality Nature and type of work Period of contract Basic salary and any allowances or advantages Suitable period of notice to terminate the contract An additional legal requirement for a valid employment contract is to respect the Islamic religion, laws of the country, customs and social traditions in Oman. Employment contracts in Oman can be fixed or indefinite. Fixed contracts automatically conclude on the date of termination or expiry date, although may be deemed to be renewed with the same terms if both parties continue the employment arrangement as if it were still in place.

MATERNITY AND PATERNITY

Women working in the private sector are entitled to 50 days' maternity leave covering periods before and after delivery, with compensation at 100% of their regular income. An employee is entitled to maternity leave three times throughout her employment in one organisation. There are no provisions in Omani law regarding paternity leave.

SICKNESS AND DISABILITY LEAVE

An employee is entitled to 10 days' sick leave at 100% of their regular income, paid by their employer. Any further sick leave is paid by Social Security at a reduced rate as follows:

- Week 3-4: 75% of basic salary
- Week 5-6: 50% of basic salary
- Week 7-10: 25% of basic salary

SOCIAL SECURITY

The employer is required to contribute as follows:

- Social security: 10.5%
- Occupational Injury and Disease: 1%
- Job Security Fund: 1%

HEALTHCARE AND INSURANCE

The Ministry of Health offers free universal health care to all Omani nationals and expatriates working in the government sector, including access to mental health services and associated medicines. The expatriate workforce in the private sector is mostly covered by employer-provided insurance. Other common benefits Omani employees may expect include an education allowance, mobile phone, Ramadan and Eid allowances, travel allowance, and housing allowance.



EMPLOYMENT OF FOREIGN NATIONALS



Foreign citizens are usually required to obtain entry visas to travel to Oman. Visas for Oman are broadly categorised as a tourist visa, employment visa, relative/friend visa, investor resident and student resident visa, and transit visa. In the case of the employment visa, the employer must obtain the visa on behalf of its foreign workers (aged 21 or over). Both the employee and employer must meet specific requirements to apply. The visa is valid for two years from the date of entry.



SALARY TAXES

MINIMUM WAGE

In Oman, the minimum wage is 325 OMR per month of which 225 OMR must be salary, and the remaining 100 OMR must be paid as a bonus.

INCOME TAX

Oman does not have personal income tax.

SALARY PAYMENTS

In Oman, the payroll frequency is typically monthly. The employer must make salary payments at least once a month.

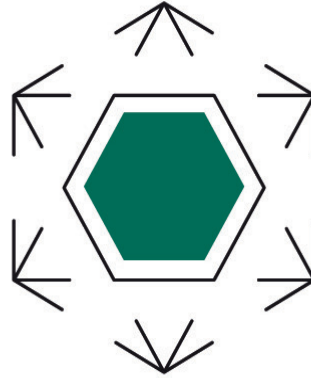
SOCIAL SECURITY CONTRIBUTION

The employee contribution contributes 7% of their salary to Social Security, in addition to the employer contribution of 10.5%

SOCIAL CONTRIBUTION RATES

The employee contributes 1% of their salary to the Job Security Fund, in addition to the employer contribution of 1%.





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