



Oman E-Invoicing Compliance: Impact Analysis & System Implementation Roadmap

Regulatory Overview, Impact Assessment,
and Compliance



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01

Regulations

Brief Overview



Oman Legal Provisions

Decision No. 456/2022 issued in October 16, 2022

- This decision amended the Executive Regulations of the VAT Law (originally under Decision No. 53/2021) to introduce and formalize electronic invoicing provisions
- Issuance Deadline – Tax invoice (including e-invoice where required) must be issued within 15 days from the date of supply.
- Format & Verification – E-invoices must be in structured electronic formats and verifiable.
- Simplified & Summary Invoices – Governed under e-invoicing framework with specific issuance rules.
- Penalties – Failure to issue compliant e-invoices may lead to penalties under VAT law.



Oman Legal Provisions

Specifications and Draft Technical Guidance

- The OTA has published (and consulted on) a draft e-invoicing data dictionary that will define the mandatory data fields and structure for compliant electronic invoices, including:
- Sets of mandatory and conditional data elements for structured invoices
- Unique identifiers (e.g., UUIDs) and QR codes for simplified invoices
- Business rules for various document types (invoices, credit/debit notes)
- Requirements specific to imports, classification codes (HS codes), and VAT treatments

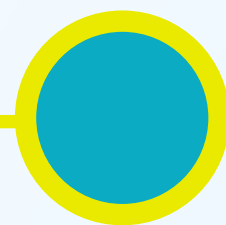
These drafts are shaping the legal technical standards businesses must follow when issuing e-invoices.



Oman Implementation Timelines

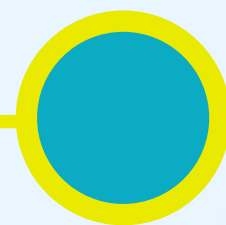
The Phased Rollout: Your E-Invoicing Go-Live Date

August 2026



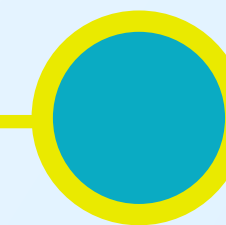
Phase 1 – Pilot group of 100 large, VAT-registered companies.

February 2027



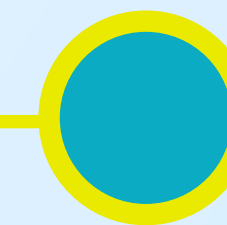
Phase 2 – All remaining large, VAT-registered companies.

August 2027



Phase 3 – All other VAT-registered taxpayers, including Small and Medium Enterprises (SMEs).

February (Year TBD)



Phase 4 – Government institutions and entities.

Selection for initial phases is based on criteria like revenue size, invoice volume, and technical readiness. Early voluntary adoption is permitted and supported by the OTA.



Technical & Compliance Requirements

- Structured Electronic Format: E-invoices must be in a machine-readable structured format (e.g., XML).
- Accredited Service Providers (ASPs): Businesses must integrate with OTA-approved ASPs for issuance, validation, exchange, and reporting.
- PEPPOL Network: The system uses a decentralized continuous transaction control model over the PEPPOL network.
- Retention Requirements: E-invoices and credit notes must be stored electronically according to specified retention guidelines.

02

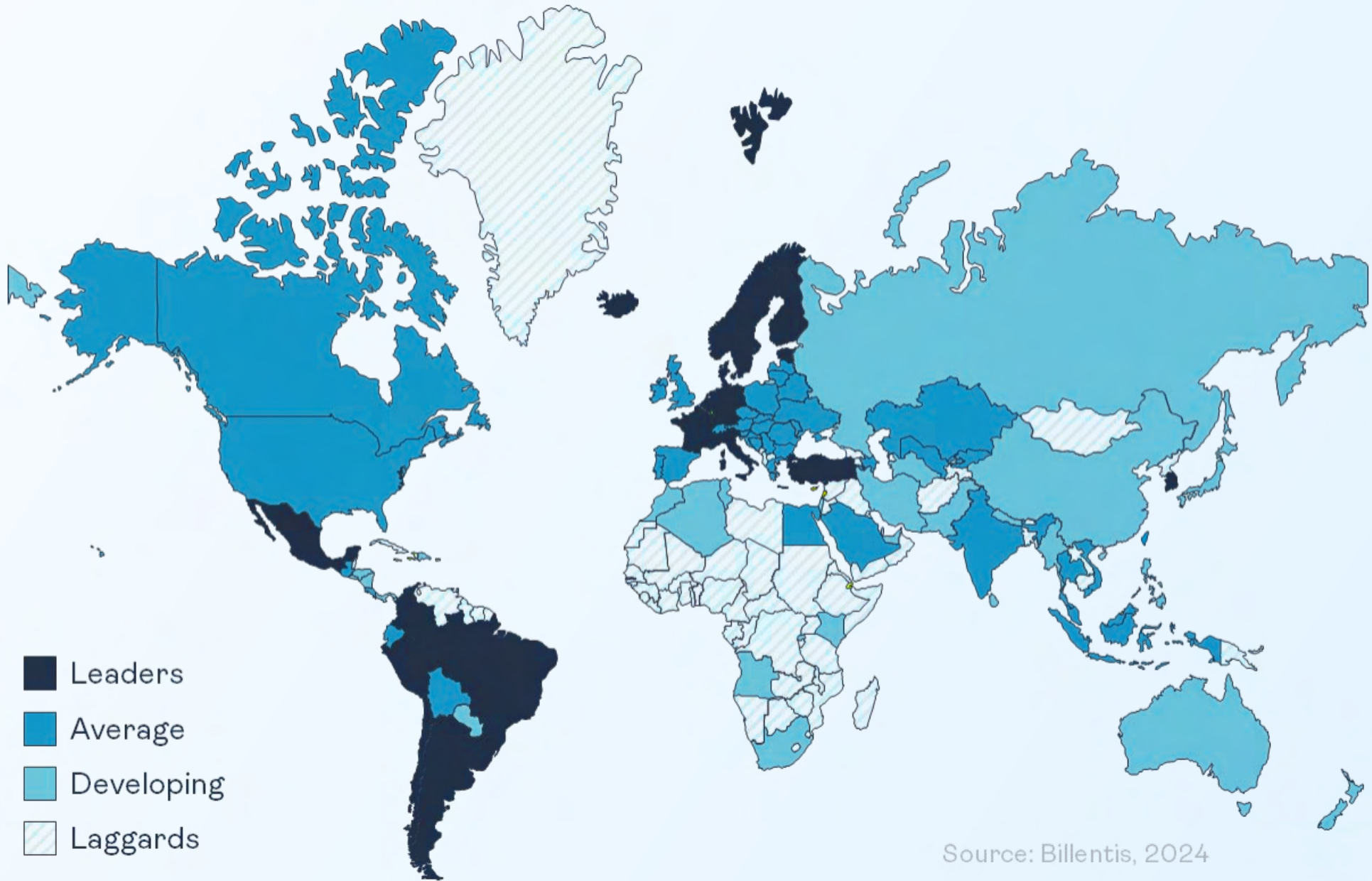
E-Invoicing

Background & How it Works

E-Invoicing Introduction

- Electronic invoicing (eInvoicing) is the exchange of the invoice documents between a supplier and a buyer in an integrated electronic format
- An eInvoice is an invoice that has been issued, transmitted and received in a structured data format which allows for its automatic and electronic processing
- E-Invoices are Not:
 - › Unstructured invoice data issued in PDF or Word formats
 - › Images of invoices such as JPG or TIFF
 - › Unstructured HTML invoices on a web page or in an email
 - › OCR (Scanned paper invoices)
 - › Paper invoices sent, like images, via fax machines
- The use of eInvoices requires two key functions:
 - › The eInvoice needs to be created with the correct structure
 - › The eInvoice needs to be transferred from the seller's system to the buyer's system

E-Invoicing Worldwide



Expected global volume of e-invoices and personalized e-receipts in 2024: 125 billion
 Strongly rounded figures

Recipient segment	Europe	LATAM	North America	APAC	Rest of World
Consumer	8 (38%) of 21	17 (48%) of 35	7 (41%) of 17	33 (17%) of 190	1 (7%) of 14
Business & Government	11 (52%) of 21	18 (51%) of 35	9 (53%) of 17	20 (11%) of 190	1 (7%) of 14

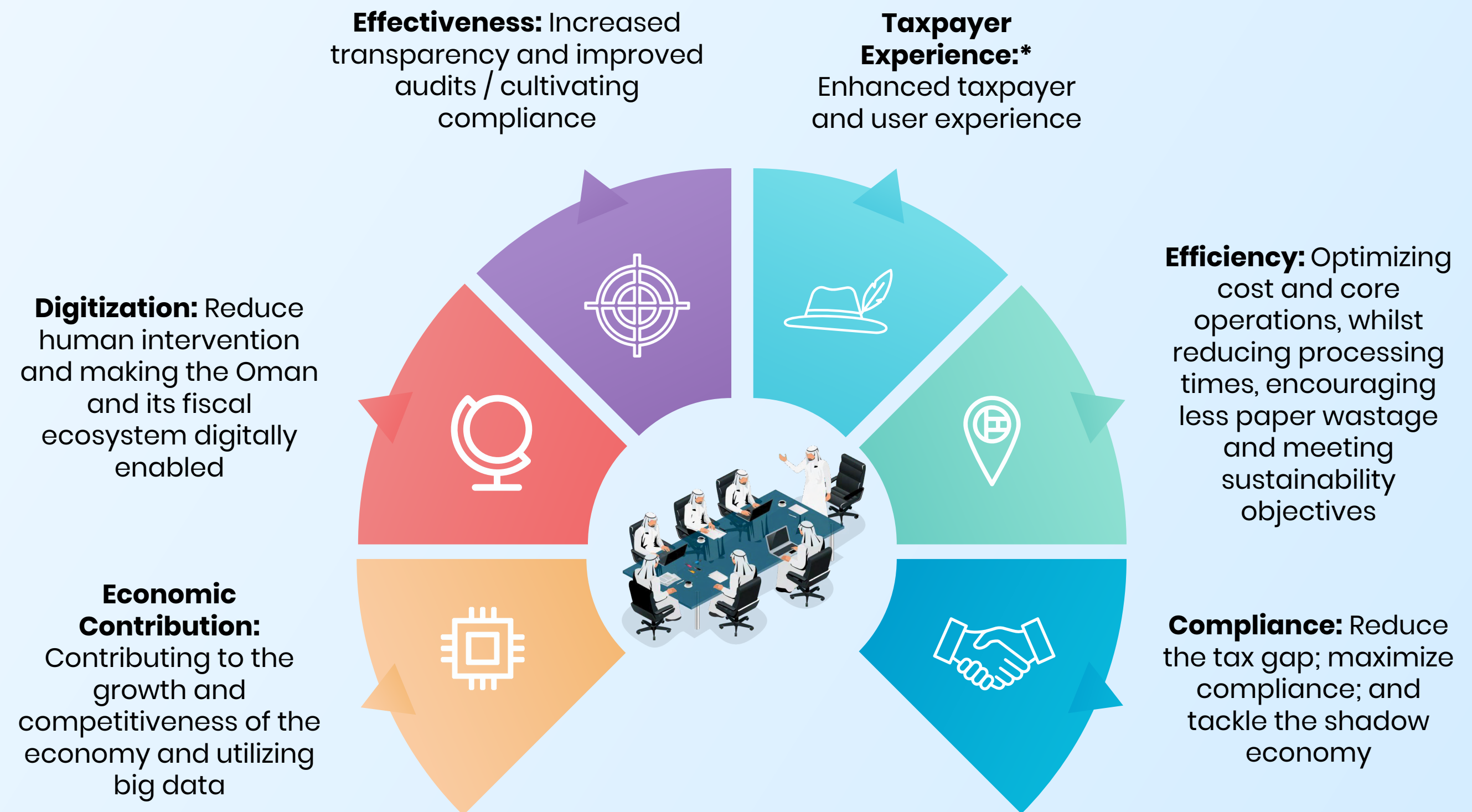
Estimated electronic volume in billion (proportion in %)
 of total invoice volume in billion

Relative growth rates

Oman E-Invoicing Background

Oman eInvoicing Objectives are:

- ▶ To be a key enabler of a modern digital and paperless economy while maximizing Oman Federal Government Revenue Collection
- ▶ Reducing tax gaps and evasion
- ▶ Creating a balanced playing field for all businesses and thereby enhancing the ease of doing business



- Oman Tax Authority / UAE FTA have Partnered with Peppol “five-corner model” – also called Decentralized Continuous Transaction Control and Exchange (DCTCE) – as the technical model for e-invoicing.
- Peppol (Pan-European Public Procurement On-Line) is a global e-invoicing standard and network originally developed in Europe to enable seamless, standardized electronic document exchange between trading partners. Oman has adopted this framework as the basis of its e-invoicing regime.

The Oman eInvoicing framework



Oman has selected the Decentralized Continuous Transaction Control and Exchange (DCTCE) / 5 corner model



Usage of Peppol network to leverage for invoice exchange and interoperability



Peppol International (PINT) as Oman Data Dictionary

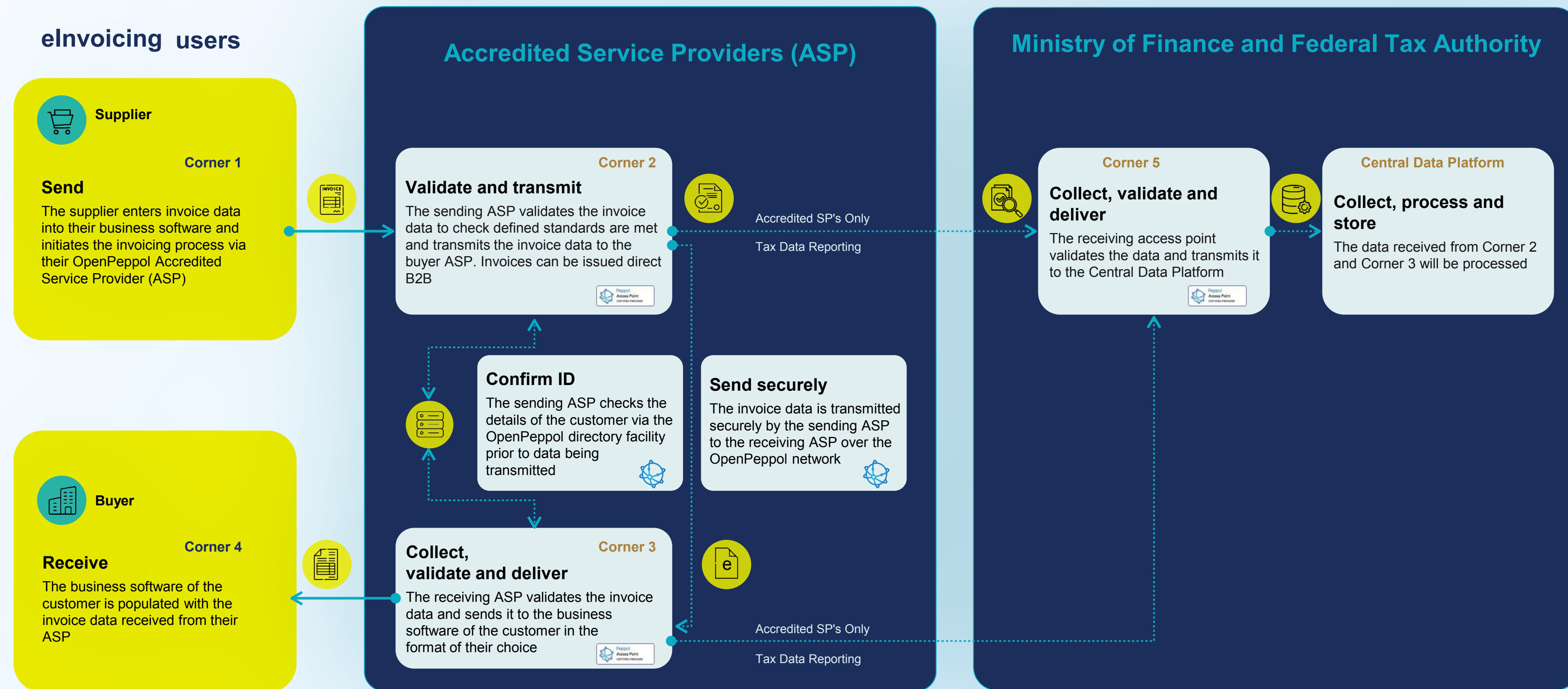


B2B and B2G mandatory



Set up of the Oman Peppol Authority Committee

The Oman eInvoicing Model: Decentralized Continuous Transaction Control and Exchange (DCTCE) / 5 corner



03

Who is ASP
& their Role

Who is ASP

- ASP (Access Point or Accredited Service Provider) plays a core technical and operational role in the Peppol network.
- An ASP is a certified service provider that operates a Peppol Access Point (AP) and connects businesses or government entities to the Peppol network.
- You cannot connect directly to Peppol on your own – you must use an ASP.



Role of ASP



1. Access Point Operation

Runs and maintains a Peppol Access Point
Sends and receives Peppol documents (e.g., eInvoices, eOrders)
Ensures secure transmission using Peppol protocols (AS4)



2. Onboarding Participants

Registers organizations in the Peppol Directory (SML/SMP)
Manages Peppol IDs (e.g., GLN, VAT, national IDs)
Enables participants to send/receive specific document types



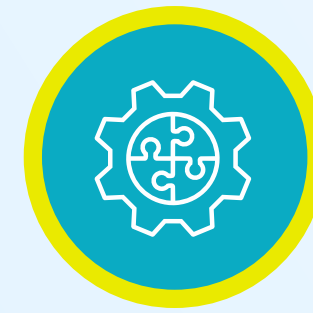
3. Standards & Compliance

Ensures documents follow:
Peppol BIS formats
XML validation rules
Keeps systems compliant with OpenPeppol regulations



4. Security & Trust

Manages digital certificates Ensures:
Authentication
Encryption
Non-repudiation
Operates within the Peppol trust framework



5. Interoperability

Guarantees that documents sent from one ASP can be received by another ASP
Enables cross-border and cross-system communication

04

Main Objective of E-Invoicing is
Real Time Monitoring & Automation
of VAT Returns

E-Invoicing Impact on VAT Returns

01 - Real Time E-Invoice Update with OTA

- ▶ Under the new Oman/UAE e-invoicing system, the invoice data (including VAT amounts) will be generated and transmitted electronically in a structured machine-readable format through Accredited Service Providers (ASPs) using the 5-Corner PEPPOL-based model
- ▶ Whereby, the E-Invoice data will be automatically updated with the OTA on a Real-Time Basis.
- ▶ This will replace the traditional paper/PDF invoicing and manual sharing of the invoices.

02 - E-Invoice Source for VAT Returns

- ▶ E-Invoices shall become the **100% primary source** for VAT Returns.
- ▶ All Supplies whether – Domestic, Deemed, Exports, Reverse Charge, and Purchases from Domestic VAT Registered Suppliers mandate issuance of E-Invoice leading to automatic data update under the CURRENT VAT Return field values – Taxable Value, Output VAT, Input VAT, Exports, Reverse Charge on Import of Services and Goods.

A new guidelines from OTA/FTA on changes in VAT Returns on account of E-Invoices expected to be released soon

Main Objectives with Advantages of E-Invoicing

Main Objectives of E-Invoicing

- ▶ **Real-time monitoring of transactions**
Enables the government to track business transactions instantly.
- ▶ **Accurate GDP measurement**
Provides reliable transaction-level data for correct estimation of GDP.
- ▶ **Automation of VAT/GST returns**
Auto-population of returns reduces manual intervention and errors.
- ▶ **Reduction in tax evasion**
Ensures transparency and prevents fake or duplicate invoicing.
- ▶ **Improved tax compliance**
Creates a standardized and verified invoicing system.

Advantages of E-Invoicing

- ▶ Eliminates fake invoices
- ▶ Reduces reconciliation issues
- ▶ Faster processing of returns
- ▶ Enhances ease of doing business

E-invoicing is a key digital tax reform aimed at enhancing transparency, automating VAT/GST compliance, and supporting real-time economic monitoring for accurate GDP estimation.

05

E-Invoicing Challenges

E-Invoicing Challenges

01 - Date of Supply

- ▶ A DATE when the actual or deemed supply of goods or services supplied.
- ▶ In E-Invoicing, the “Date of Supply” is a mandatory input that enables the tax authority to validate compliance with prescribed time limits between the Date of Supply and the Invoice Date.

02 - Timely Raising of E-Invoice

	Before E-Invoice Introduction	After E-Invoicing Introduction
Time Limit	14 / 15 Days Rule Must issue an invoice within 15 days from date of supply	14 / 15 Days Rule Must issue an invoice within 15 days from date of supply
Verifying Check by Tax Authority	Manual Check on a Quarterly Basis Subject to verification	Real Time Data Entry Verification on a Daily Basis
Mandatory	Yes, But Tax Invoices may or may not include Date of Supply to verify Invoice Date	Yes, Date of Supply is a mandatory field without which the invoice cannot be submitted

E-Invoicing Challenges

03 - No Accept / Reject Rule Post Issuance of E-Invoice

- ▶ Once E-Invoice is generated then it will pass through all other 4 Corners

04 - Revision in Invoice via Tax Credit Note Only

- ▶ Once E-Invoice is generated then any revision can only be performed via Credit or Debit Note
- ▶ Since each E-Invoice has now a cost so it's important to raise a proper accurate E-Invoice at FIRST.

05 - Vendor Customer Master Database

- ▶ Regularly keep Vendor Customer Master database up to date so that E-Invoice send to correct supplier / customer Peppol ID linked with their TRN/TIN/VATIN.
- ▶ Innovative Online Tool Developed to obtain timely accurate data duly validated from Suppliers/Customers.

E-Invoicing Challenges

06 - Self-Billed E-Invoicing for RCM

- ▶ Self-billed e-invoices must be generated for imports of both goods and services into Oman.
- ▶ In case of Import of goods if VAT wasn't paid at customs

07 - 100% Input VAT Claim via E-Invoice

- ▶ Each business can now claim Input VAT Credit only by having an accurate E-Invoice from its Supplier
- ▶ Important to note small purchase expenses for business – Food, Telephone, Fuel, Staff Reimbursements expenses – must issue E-Invoice in name of Business to claim Input VAT Credit

08 - Timely Update Records with Tax Authority

- ▶ Business Profile and any change in the business requiring update of details with Tax Authority, should be updated on priority so as to avoid any impact on E-Invoicing.

E-Invoicing Challenges

09 - E-Invoice replace actual PDF Invoice

- ▶ **Via Peppol, the buyer receives the supplier's full invoice data, but only the structured invoice data, not necessarily a PDF or "human-readable" layout unless that's sent separately.**
- ▶ **What the buyer does not automatically receive**
 - ✗ A PDF or paper-style invoice layout (unless you send it separately)
 - ✗ Extra marketing or branding elements (logos, colors, layout)
 - ✗ Attachments (unless explicitly supported and agreed in the Peppol profile)
- ▶ Peppol is about **data exchange**, not document presentation.
- ▶ **Why still PDFs**
 - Supplier internal processes
 - International ERP defaults
 - Buyer want a "printable view" and understanding of details
 - But legally and operationally:
- ▶ **If the PDF and the Peppol invoice differ, the Peppol invoice always wins.**

E-Invoicing Challenges

10 - No Revision in VAT Returns

- ▶ E-Invoicing also means **REAL TIME UPDATE** of both Supply Invoices – Outward and Inward and hence data ready for the VAT Returns.
- ▶ E-Invoice **MUST be submitted NO later than 14 / 15 days** from Date of Supply and any delay shall attract penalty & interest
- ▶ **Revision in VAT Returns** means amendments in E-Invoices – which can only be possible by issuing Tax Credit or Debit Notes in Current Date and not any past dates. However, Tax Authority shall release notification to this extent.

11 - VAT Refunds Processing Faster

- ▶ Yes, VAT Refunds will be faster – may be no further checks and documents
- ▶ However, Tax Authority may ask for more details beyond E-Invoice, like – Contracts, Payment Proofs, Import Documents, Supplies details & declarations etc, accounting impact, ascertaining proper VAT treatment – 0% or 5% etc.
- ▶ **So it's now NOT JUST E-INVOICE but proper documentation together with supplies details necessary.**

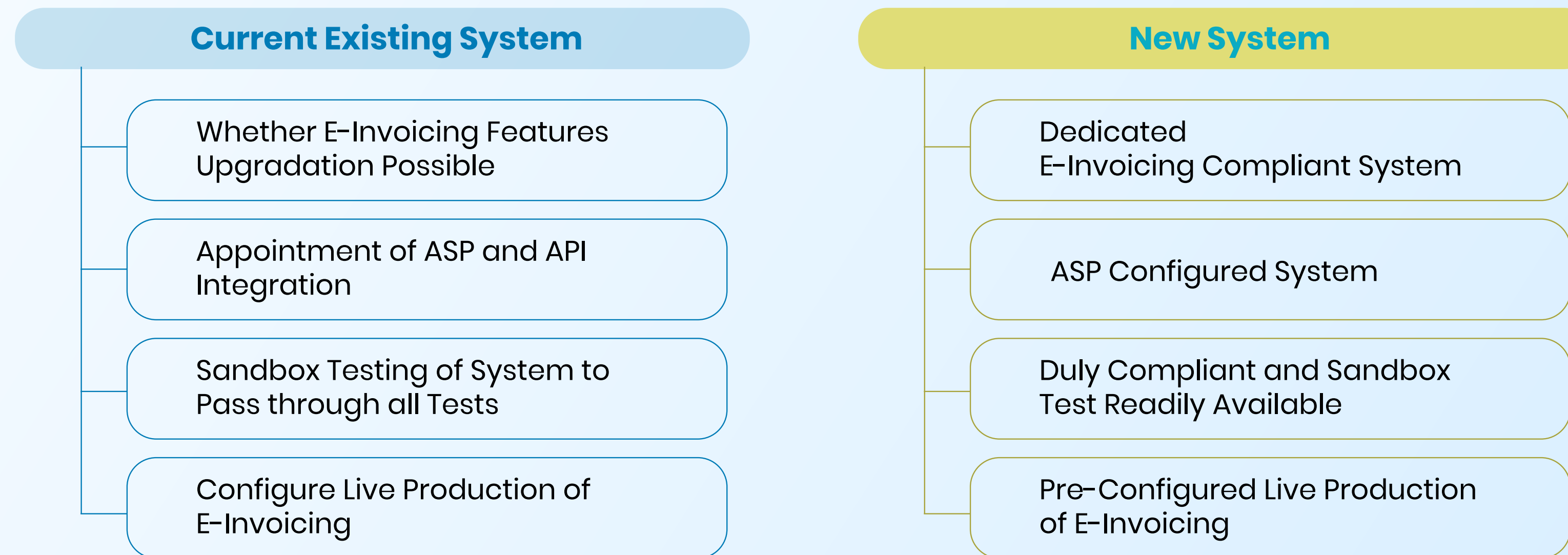
06

Key Considerations For Effective System Implementation

How to Effectively Implement the E-Invoicing System

01 - Current System Assessment - Choices to Make

- ▶ Assess the System so as to a make a best choice for E-Invoicing Compliance



How to Effectively Implement the E-Invoicing System

02 - Policy & Procedures

- ▶ Perform changes into Internal Policy & Procedures to ensure E-Invoicing Compliant control procedures are in place and practiced.

03 - Intimation to all Relevant Stakeholders

- ▶ Timely inform Suppliers and Customers on new changes on account of E-Invoicing to have all their details updated in Vendor Customer Master database

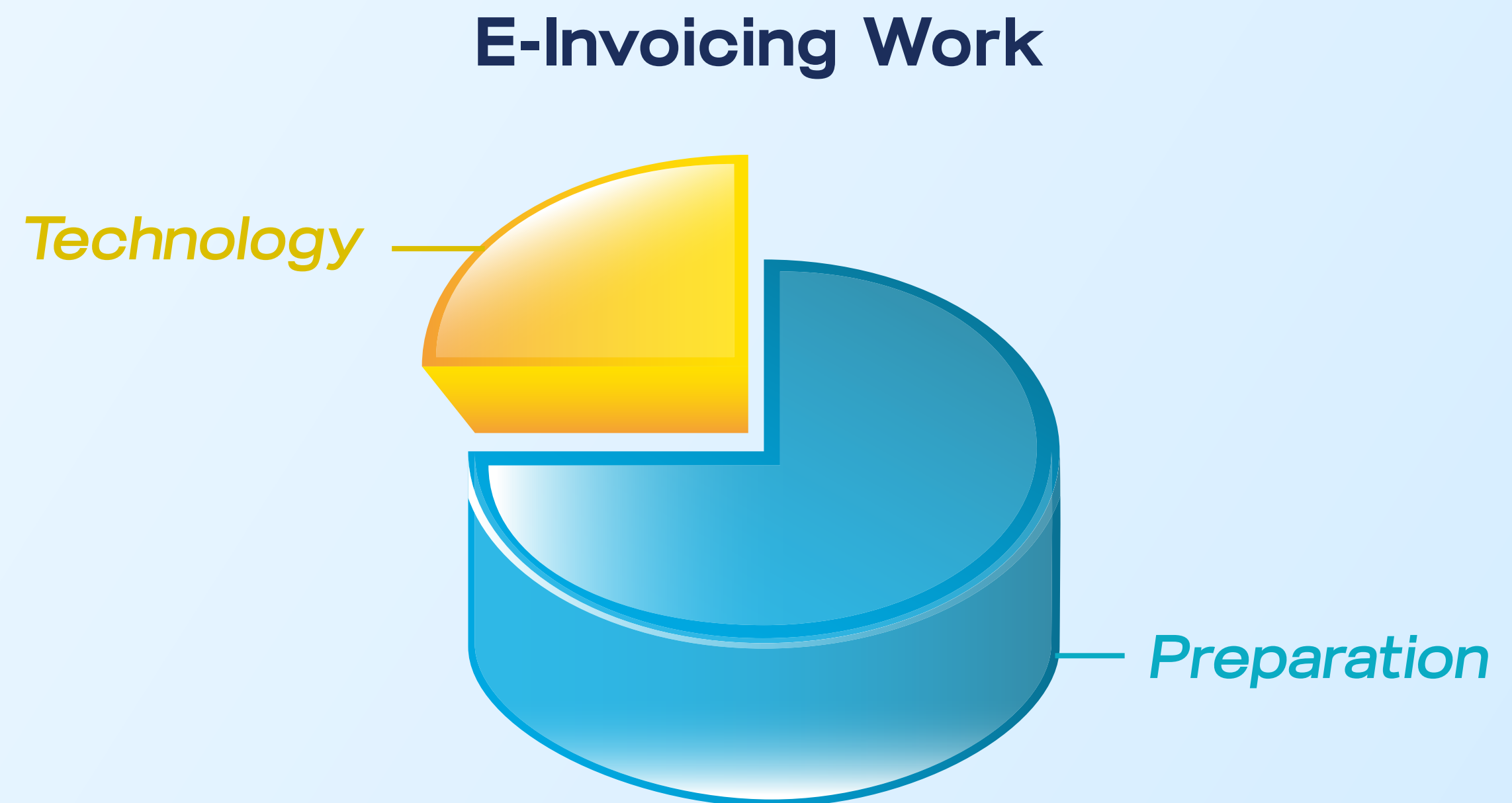
04 - Amendments to Introduce Clauses in Contracts

- ▶ Timely add relevant E-Invoicing Clauses in Contracts with Suppliers and Customers to ensure all the Parties involved undertake their responsibilities to comply with E-Invoicing

How to Effectively Implement the E-Invoicing System

05 - Preparation & Technology Works

- ▶ E-Invoicing Implementation tentatively involves 70% engagement of People, Processes, and Compliances while 30% Technology. Meaning for Effective Implementation 70% of Human Efforts Required to have a best Compliant System in Place.



07

Current Status
Of E-Invoicing Implementation
in Oman & UAE

Oman Current Status & Tentative Timelines



08

How We at McMillanWoods (a Professional Firm)
can Assist Your Business for Effective
E-Invoicing Implementation End-to-End

Why Professional Assistance

- ▶ To get RIGHT STRATEGY from the beginning is always important.
- ▶ With our team of professionals possessing hands-on experience in VAT and various other taxes, help the companies with successful VAT Implementation.
- ▶ Professional Assistance helps the companies with multiple benefits in terms of:



Equip Systems



Saves Tax Penalties & Fines



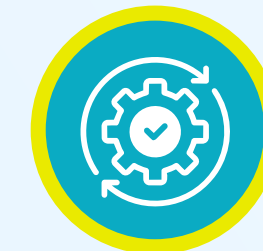
Assist in Tax Audits



Correct Invoicing



Accurate Accounting



Effective Tax-Compliant system



Proper Contracts



Accurate VAT Computation



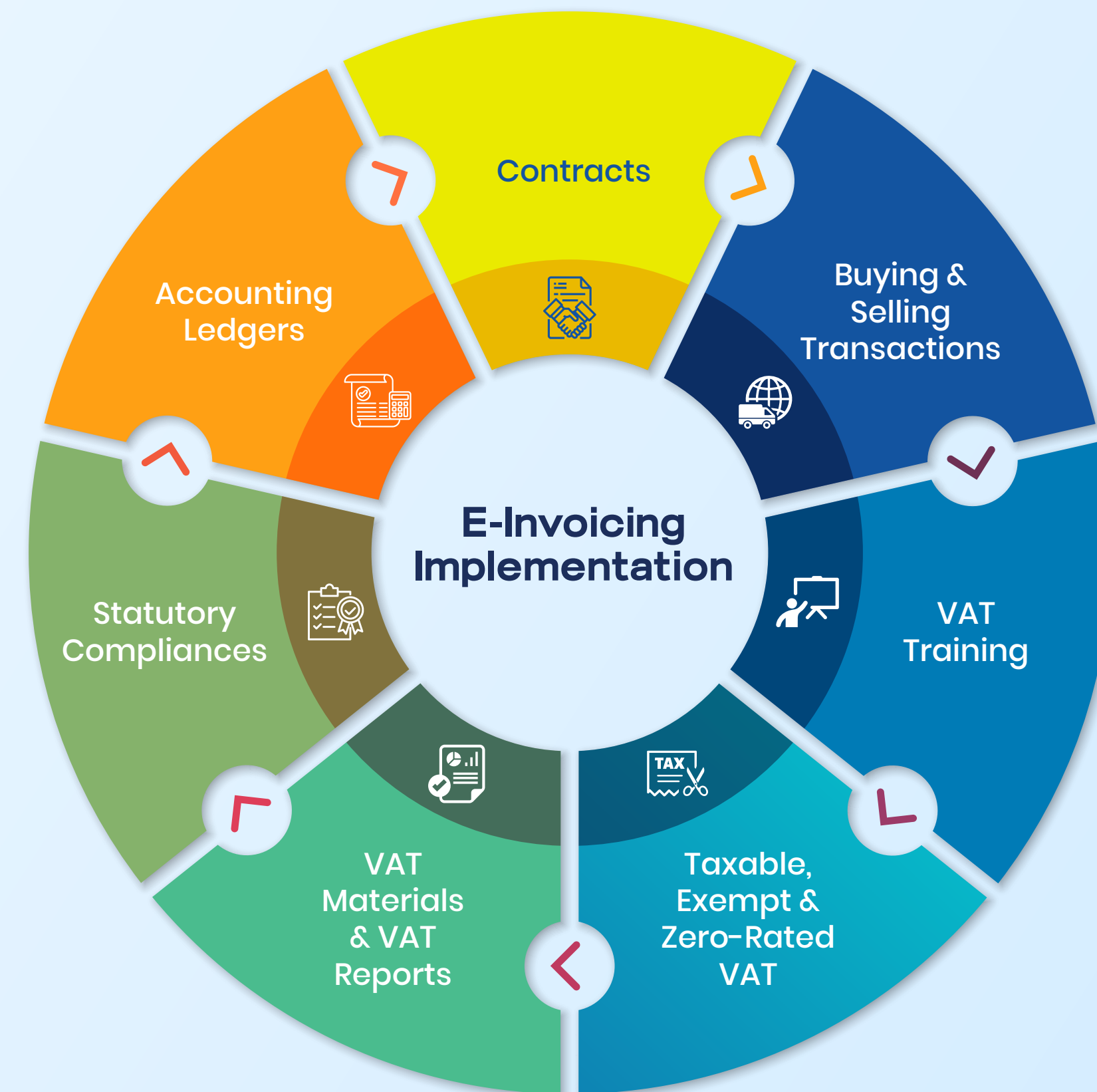
Timely Compliances



Proper Records

Why Choose McMillanWoods for E-Invoicing Implementation

- ▶ We have a team of highly qualified financial professionals including Chartered Accountants, Lawyers, Taxation Experts who hold hands-on experience and knows challenges involved in the process of transition to VAT.
- ▶ We understand business operations and process workflows to make valuable additions to the business processes and systems.
- ▶ We place efforts on saving a significant amount of time for businesses.
- ▶ We understand business and the industry, which makes us to provide advisory services to our client's with the right long-term sustainable solutions.





FINTECH SaaS Provider With Dedicated
E-Invoicing Solution & Tax Consultant in UAE



Pre-Approved ASP in UAE and
in Oman is in Process of Approval

**The above partnership building a strong partnership enabling seamless e-invoicing with
compliance, reliability, and professional service at the core.**

Welcome to your digital financial tools.

Active Digital Tools

IFRS 16
Access Now



GPS
Access Now



KYVC
Access Now



Document
Access Now



IAS
Access Now



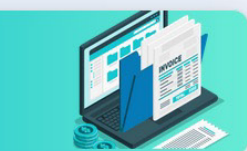
Control Center

Central Control
Access Now



Modules Coming Soon

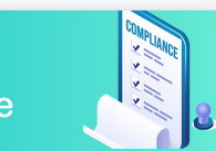
Invoicing
Manage Your Invoices



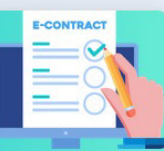
Task Management



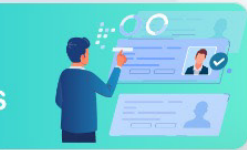
Statutory Compliance



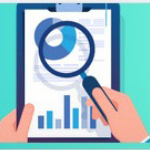
E-Contracts
Manage Your Contracts



Human Resources



Audit E-Programme



Secretarial Records



Submitted Outward Supplies

Sr. No.	Invoice Type	Customer Name	Invoice Number	Invoice Date	Currency	Invoice Amount	Status	Actions
1	OTI-Advance Money	A189	WSI/971/21-/2025	2025-12-15	AED	9820.90	Submitted	View Download
2	OTI-Advance Money	CheckCustomerE	WSI/971/20-/2025	2025-12-20	AED	20502.90	Submitted	View Download
3	OTI-Advance Money	Ayansh	WSI/971/19-/2025	2025-12-20	AED	1881.00	Submitted	View Download
4	OTI-Advance Money	First Download Test	WSI/971/10-/2025	2025-12-07	INR	9810.00	Submitted	View Download

DO Advances

Sr. No.	Invoice Type	Customer Name	Invoice Number	Invoice Date	Status	Overdue	Currency	Invoice Amount	Supplies Performed	Supplies Remaining	Actions
1	OTI-Advance Money	A189	WSI/971/21-/2025	2025-12-15	Submitted	Yes	AED	9820.90	N/A	N/A	View Download
2	OTI-Advance Money	CheckCustomerE	WSI/971/20-/2025	2025-12-20	Submitted	Yes	AED	20502.90	N/A	N/A	View Download
3	OTI-Advance Money	Ayansh	WSI/971/19-/2025	2025-12-20	Submitted	Yes	AED	1881.00	N/A	N/A	View Download
4	OTI-Advance Money	First Download Test	WSI/971/10-/2025	2025-12-07	Submitted	Yes	INR	9810.00	N/A	N/A	View Download

Your Strategic Roadmap to E-Invoicing Compliance

Assess & Analyze (Now)

1

Conduct a comprehensive Gap Analysis of your current processes and systems against the Data Dictionary requirements.

Identify all relevant business use cases and transaction types (e.g., exports, deemed supplies, imports).

Map the required data fields to your existing data sources.

Plan & Integrate (Next 3–6 Months)

2

Develop a detailed project plan with your IT team and system vendors.

Decide on your solution strategy: upgrade existing ERP, implement a middleware solution, or engage an ASP.

Begin system configuration and integration testing.

Train & Deploy (Pre-Go-Live)

3

Conduct thorough training for your Finance, Accounts Receivable, and Accounts Payable teams.

Perform end-to-end user acceptance testing.

Deploy the solution and prepare for your mandatory go-live date.

Partnering for a Seamless and Compliant Transition

The transition to e-invoicing is a significant undertaking. McMillan Woods' team of tax and technology experts is here to guide you at every step, ensuring a smooth, efficient, and fully compliant implementation.

How We Can Help:



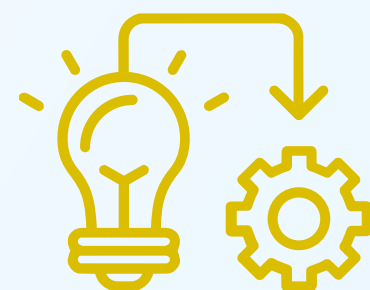
Phase 1: E-Invoicing Impact & Readiness Assessment

A detailed analysis of your operational gaps and a tailored roadmap.



Phase 2: Solution Design & Vendor Selection

Assisting in the choice between ERP upgrades and ASPs, ensuring the solution fits your business needs.



Phase 3: Implementation Project Management

Overseeing the technical integration and process re-engineering to ensure deadlines are met.



Phase 4: Post-Implementation Support & Training

Providing team training and ongoing advisory to ensure long-term compliance and optimization.

09

Contact Us

Get in Touch with Our Team

Let's discuss your specific needs and build your roadmap to e-invoicing readiness.

Key Contacts

Sajal Arora

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Senior Manager, Indirect Tax

Contact Details

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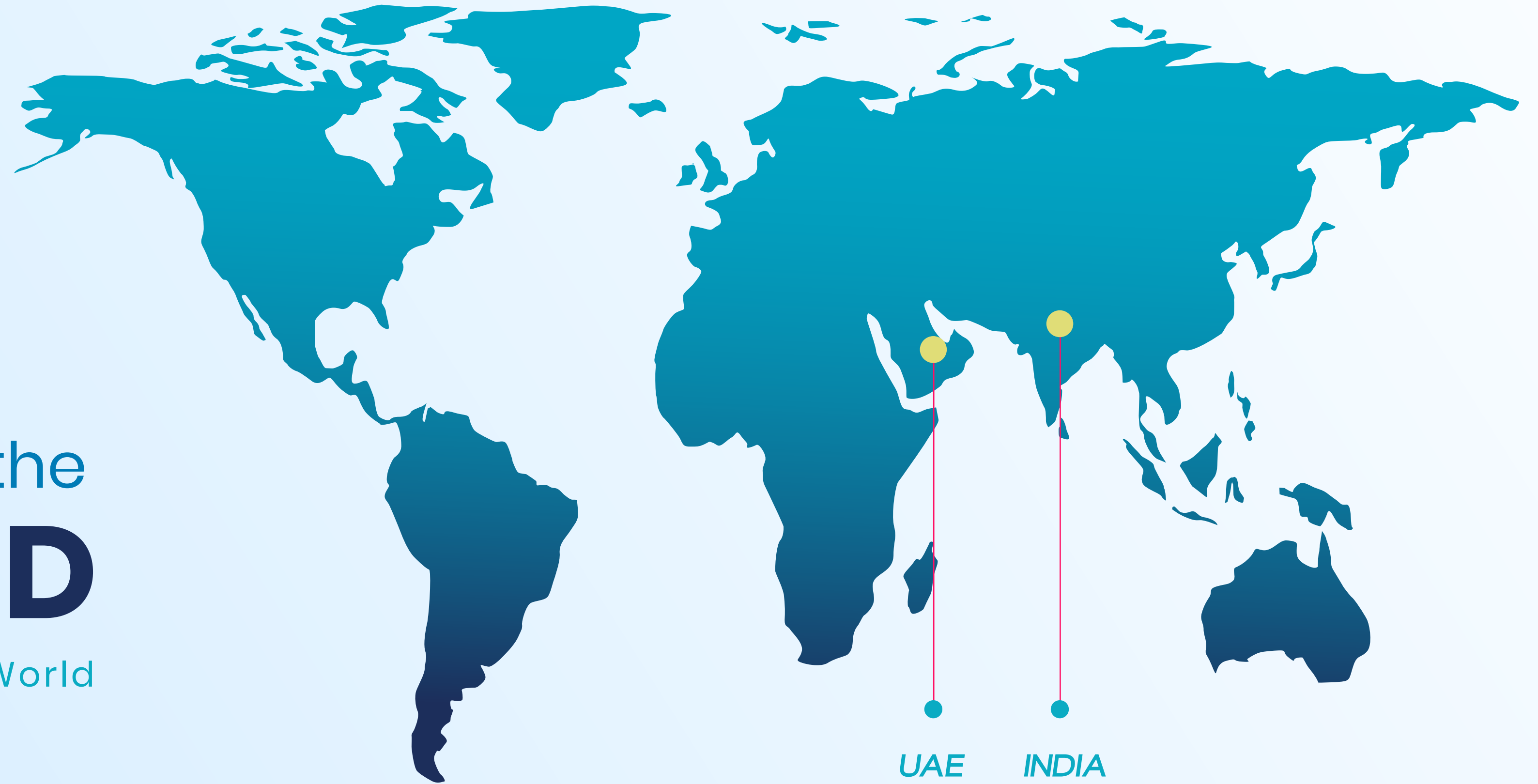
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Connecting to the
WORLD

Associates around the World





McMillanWoods
Professionalism at the forefront

Thanks for Your Time

Stay Compliant Stay Ahead

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