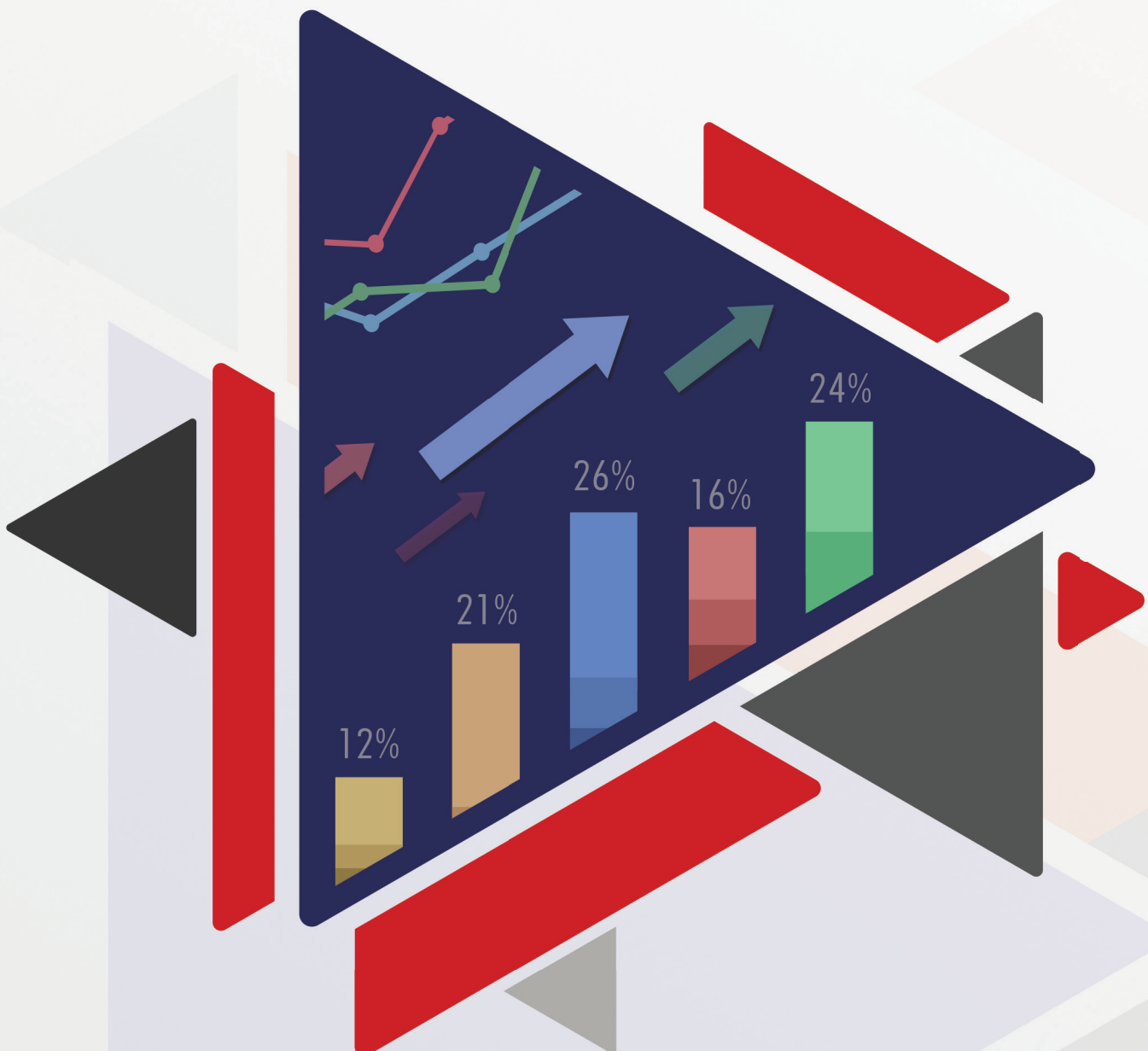


LEGAL LEGISLATION GUIDE

Al Mazunah Zone

Public Establishment For
Industrial Estates





His Majesty Sultan Qaboos bin Said



المؤسسة العامة للمناطق الصناعية
Public Establishment For Industrial Estates

LEGAL LEGISLATION GUIDE

Public Establishment For
Industrial Estates

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CEO's Address

The Economic Zones in their various forms are considered the main pillars and a key foundation for comprehensive and sustainable economic and social development due to the fact that they offer an appropriate work environment for business growth and boom. Investment and work in these areas have an advantage of the geographically confined areas isolated from the nearby cities and most probably one entity or department is vested with the authorities and powers to develop, operate and manage these areas and provide all services required for their dwellers.

As a foreseeable and inevitable result of population growth and trade flows around the world including our area, these areas have witnessed fierce competition during the last two decades in all regulatory, urban and holistic planning fields. These areas have expanded geographically to form fully integrated service cities. Due to these newly arising developments, the stakeholders should set clear and transparent rules, guidelines and legislative frameworks regulating all investment aspects in these areas and outlining the rights and obligations of all concerned parties and to indicate the documentary cycle in details to achieve justice and promote equal opportunities for all.

Over three decades after the sultanate's practice in the sphere of building, managing and operating the economic and free zones, we should reconsider many regulations, guidelines and work principles for the same to be in line with the developments and changes in the business environment in the world in general and our area in particular. In this context, PEIE has closely worked in collaboration with all partners to come out with clear legal, legislative and regulatory frameworks to regulate work in the existing and future zones and in an endeavor to provide appropriate information, these guidelines were drafted in both Arabic and English and will be printed in other languages in the future. The [Public Establishment for Industrial Estates \(PEIE\)](#) takes these guidelines as a charter of action applicable to investors and all other concerned parties.

Finally, we hope we have succeeded in coming out with a well prepared booklet to provide all partners with the information deemed necessary for investment in the industrial and free zones managed by PEIE.

Finally, do kindly accept our regards..

PEIE's CEO

Public Establishment for Industrial Estates
(PEIE)



Our Vision

Free Trade Economic Zone contributes to the enhancement of competitiveness of Oman regionally in attracting and developing the local and international investments and its development.

Our Message

We have been seeking for a business relationship with the private sector to build and equip a free commercial zone being a business hub for attracting local and foreign investments rendering and adopting the best management practices, services and facilities for the business development by providing comprehensive infrastructures. It is also giving the investors a package of exemptions and facilities to build-up healthy business cooperation and coordination with all the official bodies and the business community locally and regionally.



المنطقة الحرة بالمزينة
Al Mazunah Free Zone

ROYAL DECREE

No.56/2002

ISSUING FREE ZONES LAW

LEGAL LEGISLATION GUIDE

Public Establishment For
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Royal Decree
No. 56/ 2002
Issuing Free Zones Law

We, Qaboos bin Said, Sultan of Oman

After reviewing the Basic Law of the State, issued by Royal Decree No. 101/96,
The Commercial Companies Law No. 4/74, as amended,
The Royal Decree No. 48/ 76 on signing internal and external financial transactions, as amended,
The Commercial Agencies Law issued in Royal Decree No. 26/77, as amended,
The Law of Customs issued by Royal Decree No. 22/78, as amended,
The Law of Lands issued by Royal Decree No. 5/80, as amended,
The Royal Decree No. 5/81 issuing the Law of Organizing Utilization of State-owned Lands, as amended,
The Law of Income Tax on Companies issued Royal Decree No. 47/81, as amended,
The Executive Regulation of the Law of Organizing Utilization of State-owned Lands issued by Royal Decree No. 88/82, as amended,
The Commerce Law issued in Royal Decree No. 55/90, as amended,
The Foreign Capital Investment Law issued Royal Decree No. 102/94, as amended,
The Financial Law issued by Royal Decree No. 47/98, as amended,
And as per the exigencies of the public good;

Decreed as follows

Article One

The enclosed Law shall apply to the free zones.

Article Two

This enclosed Law cancels all that violates it or contravenes its provisions.

Article Three

The Chairperson of Free Zones Committee shall issue the executive regulations and decisions of the enclosed Law.



Article Four

This Decree shall be published in the Official Gazette and shall come into effect from its publication date.

Issued on 9th of Rabi' Awwal 1423 AH

CT: 22nd of May 2002 CE

Qaboos bin Said
Sultan of Oman

Free Zones Law

Chapter One General Definitions and Provisions

Article (1)

In the application of this law, the following terms shall have the meanings set against each of unless the context requires otherwise:

Taxes:

All taxes imposed or shall be imposed by the law.

Fees:

All fees payable to any governmental or public entity or according to the applicable laws, regulations, and systems except judicial fees.

Committee:

The Free Zones Committee.

Concession Agreement:

The agreement under which the government grants the operating party the right to manage and operate the free zone according to the provisions of this Law.

Free Zone:

Any free zone established by a Royal Decree according to Article (2) of this Law.

Tax Territory:

Any region within the borders of the Sultanate except free zones.

Operating Party:

Any party, company or establishment granted the right to manage and operate a free zone according to a concession agreement.

Working Company:

Any company, establishment, commercial representation office or a branch of a company, foreign or Omani, licensed to exercise the permitted activities inside the free zone.

Commodities:

Any machines, equipment, materials, products, spare parts or fuel used, produced, distributed, manufactured fully or partially, or consumed by the operating company for any purpose.

One-Stop Shop System:

A system that issues all licenses, permits, approvals, visas, and registrations of working companies. It also applies the rules and systems related to the operating party and the working company as per the Law.



Article (2)

The establishment of a free zone shall be pursuant to a Royal Decree that determines its location and boarders, along with the incentives, benefits and facilities granted to both the operating party and working company. Except for the issues covered by a special text in this Law, the free zone shall be subject to all the laws, regulations and systems applicable in the Sultanate. It is prohibited to grant any benefits, facilities, or incentives mentioned in this Law or by in the Royal Decree establishing the free zone to other than the operating party starting from the effective date of the Royal Decree establishing the free zone.

Article (3)

The operating party and the working company shall be exempt from taxes and from submitting income returns stipulated in the Law of Income Tax on Companies. The exemption shall be according to a decision issued by the Minister supervising the Ministry of Finance according to the rule set by the Committee.

Article (4)

In exception of the provisions mentioned in the abovementioned Commercial Companies Law and the Foreign Capital Investment Law, non-Omanis can own the whole capital of both the operating party and the working company.

Article (5)

The working company shall not exercise any unlicensed activities or business in the tax territory without complying with the applicable laws, regulations and systems.

Article (6)

A Free Zones Committee shall be established chaired by the Minister of Commerce and Industry and membership of the following:

- Minister of Transportation and Communications
- Minister of Regional Municipalities and Water Recourses
- Minister of Manpower
- Minister of Environment and Climate Affairs
- Inspector General for Police and Customs
- Secretary General of the Ministry of National Economy.
- Secretary General for Taxation in the Ministry of Finance.
- Chairperson of the Oman Chamber of Commerce and Industry.

The Committee Chairperson shall select the Secretary.

The Committee can form minor committees, if necessary, to study some matters.

Article (7)

The Committee shall:

- A- Approve the executive regulations and decision of the provisions of this Law before their issuance.
- B- Prepare the rules and regulations for any free zone established pursuant to the provisions of this Law. This shall include appointment of the operating party, determining the control method of its activities under the concession agreement, and the rules and regulations necessary to manage and operate the free zones.
- C- Approve the concession agreements before concluding them by the Committee Chairperson on behalf of Government of the Sultanate.
- D- Prepare the comprehensive plan for the free zones.
- E- Approve work and development plans of the free zones submitted by operating party.
- F- Coordinate with the relevant authorities to provide security and emergency services inside the free zones.
- G- Coordinate with the relevant authorities to ensure their fulfilment of their respective obligations under the concession agreements.
- H- Promote the investment opportunities in the free zones, including publicizing incentives, benefits and facilities granted to both the operating party and the working company.
- I- Determine Omanization percentages in the free zones.
- J- Apply the one-stop shop system in the free zones.
- K- Prepare the rules regulating the movement of commodities and individuals from/to the free zones and separate them from the tax territory.
- L- Determine the amounts paid by the working company to the operating party.
- M- Form a committee for each free zone that consists of members representing the government and the working company to propose draft regulations, decisions, rules and systems related to the free zone and submit them to the Committee to decide on.
- N- Conduct an annual evaluation of the performance of the free zones and refer it to the Council of Ministers.

Chapter Two

Incentives, Benefits and Facilities of the Operating Party

Article (8)

The operating party shall have the concession to manage and operate the free zone according to the provisions of this Law and the Royal Decree establishing the free zone.

Article (9)

The operating party shall:

- A- Propose work and development plans of the free zone along with the regulations and controls of using and planning its lands.
- B- Apply all the regulations, decisions, rules and system issued by the Committee.
- C- Provide all services and facilities inside the free zone.

The operating party shall have the usufruct right to of the lands and facilities within the borders of the free zone along with the related right to mortgage the usufruct and finance, develop, market, and manage the abovementioned lands and facilities and related works. This shall be without prejudice to any ownership rights established on the lands located within the border of the free zone before the establishment of the free zone.

Article (10)

Only one operating party shall have the concession to manage and operate the free zone.

Chapter Three

Incentives, Benefits and Facilities of the Working Company

Article (11)

The Committee may exempt the working company from the requirement of minimum capital stipulated in the abovementioned Commercial Companies Law or any other law.

Article (12)

The working company shall not be nationalized unless pursuant to a law and against fair compensation. Moreover, its assets shall not be seized, confiscated, or sequestered or any part thereof unless according to a judicial judgment.

Article (13)

The working company shall be exempt from any restriction on the provision, trading and transferring foreign currencies as well as the provision of the abovementioned Commercial Agencies Law.

Article (14)

For the working company to be eligible for the benefits, exemptions, and facilities stipulated in this Law and the Royal Decree establishing the free zone, it should exercise its operations and activities inside the free zone and export part of its products as determined by the Committee. The working company shall not waive the abovementioned benefits, exemptions, and facilities to any third party in any way.

Article (15)

No company, establishment, commercial representation office, or a branch of a foreign company working inside the tax territory, shall not be licensed to exercise its activity inside the free zone until it has paid all its financial obligations to the government, public authorities and institutions and their entities. The said amounts can be collected according to the Regulation on Collection of Taxes and Fees issued by Royal Decree No. 32/94.

Chapter Four Commodities

Article (16)

Except for the commodities whose importation is prohibited, commodities imported to the free zone may move without any restrictions in and between the free zones.

Article (17)

Commodities imported to or exported from the free zones shall be exempt from customs duties.

Article (18)

Commodities imported to the free zone shall not be subject to any restriction as to the period of their stay therein unless the operating party decides otherwise according to the type and nature of the commodity.

Article (19)

Upon exportation to any other country, the commodities manufactured or assembled in the free zone shall be considered as national products without prejudice to the international agreements concluded by the government.

Article (20)

Commodities exiting the free zone to the tax territory shall be considered as foreign commodities even if they include local raw materials.

Chapter Five Penalties

Article (21)

Without prejudice to any harsher penalty, the violator of the provisions of this Law shall be punishable by a fine of not more than OMR (5000) five thousand Omani Rials along with confiscation of the money the subject of the violation. Penalty shall be doubled upon repetition of the violation.



ROYAL DECREE

No.103/2005

ESTABLISHING A FREE ZONE IN
AL-MAZUNAH

LEGAL LEGISLATION GUIDE

Public Establishment For
Industrial Estates

Royal Decree
No. 103/ 2005
Establishing a Free Zone in Al-Mazunah

We, Qaboos bin Said,

Sultan of Oman

After reviewing the Basic Law of the State, issued by Royal Decree No. 101/96,
The Royal Decree No. 67/ 2002 issuing the Free Zones Law,
The Royal Decree No. 67/2003 on application of the GCC Common Customs Law,
And as per the exigencies of the public good;

Decreed as follows

Article One

A free zone shall be established in Al-Mazunah on the area of land shown in the enclosed drawing.

Article Two

The Public Establishment of Industrial Estates (PEIE) shall operate the said free zone and develop the services therein. The PEIE may assign the operation of the said free zone to any other party after the approval of the Free Zones Committee.

Article Three

The incentives, benefits and facilities stipulated in the Free Zones Law shall apply to the abovementioned free zone.

Article Four

This Decree shall be published in the Official Gazette and shall come into effect from its publication date.

Issued on 19th of Dhul-Qida 1426 AH

CT: 21st of December 2005 CE

Qaboos bin Said
Sultan of Oman





المؤسسة العامة للمناطق الصناعية
Public Establishment For Industrial Estates

DECISION

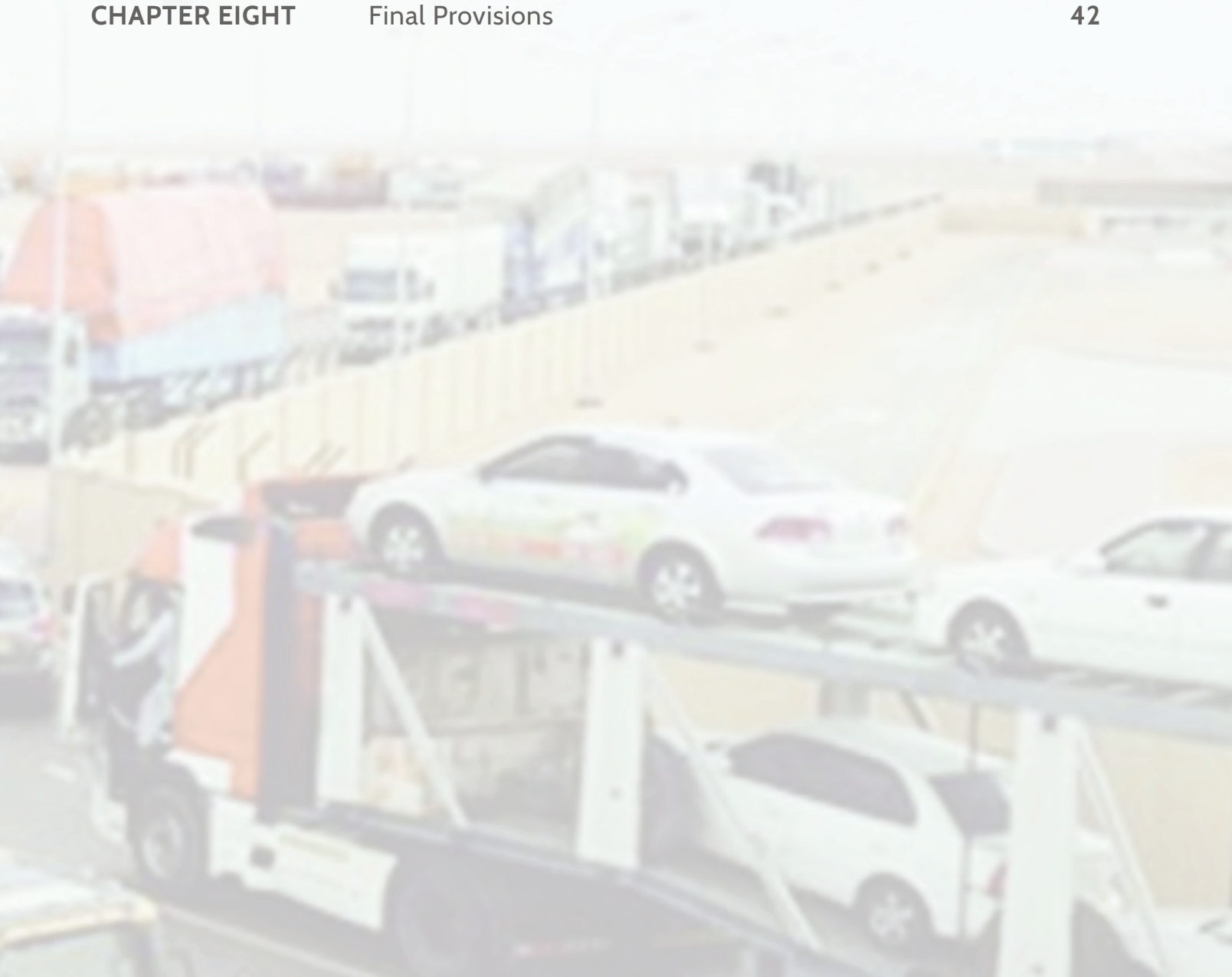
No.22/2010

ISSUING THE REGULATIONS OF THE FREE ZONE IN AL-MAZUNAH

LEGAL LEGISLATION GUIDE

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Public Establishment of Industrial Estates

Decision

22/2010

Issuing the Regulations of the Free Zone in Al-Mazunah

Pursuant to the charter of the Public Establishment of Industrial Estates promulgated by the Royal Decree No. 4/93;

The Free Zones Law promulgated by the Royal Decree No. 56/2002;

The Royal Decree No. 67/2003 on application of the GCC Common Customs Law;

The Royal Decree No. 103/2005 on establishment of Al-Mazunah Free Zone;

The Ministry of Finance's Letter No. MTD/8/1/302 dated 20th of Muharram 1431 AH/ 6 January 2010 CE, and

In accordance with the public interest requisites,

The following is hereby decided:

Article One: The regulation of Al-Mazunah Free Zone shall be subject to the provisions of the attached regulation.

Article Two: All that contravenes this regulation or contradicts its provisions shall be repealed.

Article Three: This decision shall be published in the Official Gazette and shall come into effect from the date of its publication.

Issued on: 30 Muharram 1431 AH

CT: 16 January 2010 CE

Maqbool bin Ali bin Sultan

Minister of Commerce and Industry

Chair of Free Zones Committee

Chapter One

Definitions

Article (1): In the application of the provisions of these regulations, the words and the expressions contained herein shall have the same meaning ascribed to them in the referred to Free Zones Law. The following words and expressions shall have the meaning ascribed to each of them unless the context requires otherwise:

Zone: Al-Mazunah Free Zone.

Law: Free Zones Law issued.

Establishment: Public Establishment of Industrial Estates

Chair: Chairperson of the Free Zones Committee

Zone Committee: The Committee formed by a decision of the Free Zones Committee under Article (7-N) of the Law.

Committee Chairperson: The chairperson of the Zone Committee.

Management: Zone Management.

Invested Capital: The foreign currencies transferred to/ from the Zone according to the instructions of the Central Bank of Oman as well as the machines, equipment, materials, commodities, and fixtures required for the establishment, operation or expansion of any project in the Zone.

Depositor: Any natural or legal person that deposits commodities in the Zone temporarily without a lease contract.

Secretariat: Secretariat General for Taxation at the Ministry of Finance.

Director General: Director General of the Zone.

Authorized Person: Any natural or legal person authorized by the working company in the Zone or the depositor to undertake part or its entire works and represent it in taking all required procedures by the Zone.

Chapter Two

Zone Management

Article (2):

- A- The Zone Committee shall be set up under the chairmanship of the executive president of the Establishment and membership of the following:
 - 1- Director General of the Zone as deputy chairperson.
 - 2- Director General of Commerce at the Ministry of Commerce and Industry.
 - 3- Representatives from the Ministry of Finance, Ministry of Manpower and Royal Oman Police.
 - 4- Representative from companies operating at the Zone and private sector nominated by the chairperson.
- B- The deputy chairperson of the Zone Committee shall substitute its chairperson in presiding over its meetings in the event of the latter's absence or existence of any deterrent that prevents him from presiding over the meeting.
- C- The Zone Committee may invite a member of the Zone staff and experts to attend its meetings without having the right to vote.
- D- The Zone Committee shall convene its meeting by attendance of at least two thirds of its members provided they should include the chairperson or his deputy.
- E- The Zone Committee shall convene once every two months and as and when the need warrants by invitation of the chairperson or his deputy.
- F- The Zone Committee shall make its decisions by majority of votes of the attendees and in case of tie vote; the chairperson shall have a casting vote.
- G- The Zone Committee chairperson shall appoint one of the Zone staff as rapporteur for the committee.
- H- Remunerations of the Zone Committee chairperson and members shall be fixed by a decision from the Chair.

Article (3): The Zone Committee shall manage and develop the Zone and maintain the same in the service of the national economy, develop international trade exchange, transit trade, export industry, supervise activities of the Zone, and in particular, the Committee shall:

- 1- Propose draft regulations, decisions, rules and systems related to the Zone and put up the same to the Committee for making the appropriate decision in respect thereof.

- 2- Propose the general policy of the Zone and submit the same to the Committee for approval.
- 3- Propose plans and programs for the development and promotion of the Zone and submit the same to the Committee for approval.
- 4- Conclude loans and agreements and accept subsidies following approval of the Committee.
- 5- Propose draft general budget of the Zone.
- 6- Arrange attraction of foreign investments and approve the promotional programs thereof.
- 7- Propose rules regulating goods and people movement from and to the Zone, separate it from the customs territory and refer the same to the Committee for approval.
- 8- Provide infrastructure, lands, warehouses and offices within the available limits.
- 9- Devise forms of licenses and permits required for operation at the Zone as well as of lease and investment agreements.
- 10- Issue instructions for customs control and securing the facilities within the Zone.
- 11- Provide security, safety and emergency services in the Zone.

Article (4): The Zone Committee Chairperson shall perform the following functions and powers:

- 1- Apply the Zone general policy laid down by the Committee and implement the decisions it issues.
- 2- Prepare draft plans and programs for the development and promotion of the Zone and submit the same to the Zone Committee.
- 3- Prepare draft action plans in the Zone, and regulations and rules of use and planning of lands for various usages and submit the same to the Zone Committee.
- 4- Sign lease contracts of lands and facilities in the Zone.
- 5- Approve forms and records pertinent to the regulation of work in the Zone.
- 6- Any other powers delegated to him by the Zone Committee or provided for in the laws and regulations.

The Zone Committee Chairperson may delegate any of his powers stipulated herein to the Director General or any of the Zone directors.

Article (5): The Zone financial resources comprise the following:

- 1- Rents of lands, warehouses and buildings owned by the Zone.
- 2- Fees of licenses, permits and approvals, and charges of services offered by the Zone.
- 3- Funds allocated for the Zone in the State's public budget or from the Establishment.
- 4- Grants, loans and aids received from the State or any other revenues approved by the Committee.
- 5- Any additional revenues the Zone realizes through its activities.

Article (6):

- A- The Zone shall collect the fees indicated in Annex (1) attached hereto for the services it offers.
- B- The Zone Committee may determine the fees to be collected from the operating company in the Zone, which shall develop and prepare the land infrastructure for renting out to the company subject to determination thereof in the investment agreement concluded with the company.

Chapter Three

Incentives and Benefits

Article (7): The operating company in the Zone shall enjoy the incentives and benefits stated in the Law as follows:

- 1- Permission to import goods to the Zone without import permit.
- 2- Exemption from the minimum limit of investment capital stipulated in the Commercial Companies Law or any other law.
- 3- Allowing Yemeni workforce to work in the Zone without entry visa or permanent residence permit in Oman provided the Zone ensure non-entry of such workforce into Oman in coordination with the concerned authorities.
- 4- Reducing Omanization percentage for the operating company to 10% subject to the Omani Labor Law.
- 5- The customs statements issued by the Yemeni Customs Centre shall be considered by the Zone Customs Section for the purpose of entry of the goods imported from the Republic of Yemen without the need to pass through Al-Mazunah Customs Section subject to the provisions of Article (34) of this Regulation.
- 6- Issuance of certificates of origin (free zone products) or (foreign origin) by the Zone.

- 7- Obtaining labor clearances and entry visas for the investors and their non-Omani employees through the system of the One-Stop Shop.
- 8- Allowing establishment of a commercial representation office of the operating company within the customs territory subject to the registration thereof in accordance with the Commercial Registry Law.

Article (8)

"In order for the operating company to enjoy the incentives and benefits stipulated in the Law, it should practice its business and activities within the Zone."

Chapter Four

Zone Tax Exemption Rules

Article (9): To exempt a company operating at the Zone from taxation and submission of the income returns stipulated in the Law of Income Tax on Companies pursuant to Article (3) of the said law, it shall meet the following conditions:

- 1- It should have a lease contract or investment agreement with the Zone.
- 2- It should be registered with the Ministry of Commerce and Industry in the register of companies operating in the free zones.
- 3- It should have a license for practicing economic activity at the Zone in accordance with the laws and rules regulating the practice of the activity.

Article (10): Tax exemption stipulated in Article (9) herein shall be for the duration of the lease contract or investment agreement or for thirty years, whichever is earlier, starting from the date on which the company operating in the Zone obtains the license required for practicing the economic activity in the Zone.

Article (11)

"For tax exemption to continue, the company operating in the Zone shall increase Omanization percentage above the ratio specified in Clause (4) of Article (7) herein by (1%) per annum after the fifth year of operation."

Article (12): Decision for tax exemption for company operating in the Zone shall be made in accordance with the following procedures:

- 1- The tax exemption application shall be submitted to the Management by the legal representative of the company operating in the Zone or its authorized agent specifying particulars of the company as per the commercial registration certificate and other official records and documents accompanied by the documents establishing extent of availability of the legally required rules for exemption.
- 2- The Management shall review the application submitted by the operating company and prepare a memorandum containing its opinion thereon and determining the following:
 - A- Extent of satisfaction of the conditions provided for herein for tax exemption in respect of the applicant operating company;
 - B- Validity date of the license for practicing the economic activity in the Zone, lease contract or investment agreement.
- 3- The memorandum shall be submitted to the Chair for approval and referral to the Minister supervising the Ministry of Finance accompanied by all documents submitted by the company within one month from the submission date of the application.
- 4- The Secretariat shall review the application and ensure it meets the legally prescribed conditions.
- 5- The exemption shall be granted by a decision to be made by the Minister supervising the Ministry of Finance.
- 6- The Department of Tax and Customs Exemptions at the Secretariat shall notify the Management of the decision issued in respect of the exemption application.
- 7- Tax exemption decisions issued in compliance with the provisions of this Regulation shall be entered in the register designated for this purpose at the Secretariat.

Article (13):

- A- The company operating within the customs territory shall keep regular accounts approved by a legally licensed auditor for the economic activities it practices within the Zone.

- B- The Management shall provide the Secretariat annually with approved accounts of all companies operating in the Zone.
- C- The Management shall provide the Secretariat with the necessary documents, copies of the lease contract or investment agreement, commercial registration certificate and licenses for practicing the activity of all companies operating in the Zone.
- D- A separate register shall be established at the Secretariat for each company operating in the Zone for follow-up to ascertain extent of its compliance with the conditions stated herein.
- E- The Management shall follow up the companies operating in the Zone to ensure their persistence in adherence to the norms and rules stated herein.
- F- In the event of breach by the company operating in the Zone of the norms and rules stipulated herein, the Management shall notify it to rectify the breach within one month from the notice date, and a copy thereof shall be sent to the Secretariat
- G- The Secretariat may take measures, in coordination with the Management, to verify and audit the company operating in the Zone to ensure compliance with the norms and rules related to exemption provided for herein.

Article (14): The Minister supervising the Ministry of Finance may take the following measures at the request of the Secretariat:

- A- Suspend exemption on a temporary basis until submission of the accounts referred to under Clause (B) of Article (13) hereof and the documents stipulated under Clause (C) of the same Article.
- B- Withdraw the exemption decision if it is found that it was based on an invalid reason.
- C- Revoke the exemption from the date on which it is confirmed that the company operating in the Zone is no longer practicing the activity in the Zone or meeting the norms and rules legally required for exemption.

The Secretariat shall inform the Management and the company operating in the Zone of the decision of temporary suspension, withdrawal or cancellation of the exemption and enter the same in the designed register at the Secretariat.

Chapter Five

Zone Investment Rules

Article (15): Lands and facilities in the Zone shall be leased with the consent of the Committee Chairperson based on the recommendation of the Management.

Article (16): The company operating in the Zone shall be registered in the Free Zone Companies Register at the Ministry of Commerce and Industry as per the relevant procedures adopted in this regard.

Article (17): The lease contract or investment agreement between the Zone and the company operating there shall be concluded in accordance with the forms approved by the Zone Committee.

Article (18):

- A- The company operating in the Zone shall practice the economic activity in the Zone only after obtaining the relevant license. It shall not practice any activity not specified in the license.
- B- The company operating in the Zone may add new activities pursuant to the applicable procedures.

Article (19): The company operating in the Zone may sell to third parties the facilities and technical installations it has constructed on the rented land with the consent of the Committee Chairperson upon recommendation of the Management in accordance with the following conditions:

- 1- Lapse of one year from the date of concluding the lease contract.
- 2- The company has prepared the rented land as per the conditions and technical specifications approved by the Zone.
- 3- The company has practiced business in the Zone by importing and exporting the goods to and from the Zone.
- 4- The company obtains a quittance from the Zone confirming its payment of all fees due and any other liabilities and there are no goods in its name or the name of the third party stored in the rented location.
- 5- Dissolution and liquidation of the company registered with the Commercial

Registration Secretariat and in the Free Zone Companies Register unless it has another investment in the Zone.

- 6- Cancellation of the Zone license and withdrawal of the license to practice the economic activity.
- 7- Registration of the new investor in the Free Zone Companies Register at the Ministry of Commerce and Industry as per the applicable procedures.
- 8- Signing a new lease contract between the Zone and the new investor.
- 9- Issuance of a license to practice an economic activity in the Zone for the new investor.

Article (20): The company operating in the Zone may include new partners in the lease contract or the investment agreement with the Zone subject to the following conditions:

- A- The operating company obtains a quittance from the Zone.
- B- Amendment of the commercial registration particulars as per the relevant legal procedures.

Article (21): If a partner withdraws from the lease contract or investment agreement or assigns his rights in this contract in favor of the other partners or new partners, the following shall be observed:

- 1- The withdrawing partner obtains a quittance from the Zone.
- 2- The other partners in the lease contract submit an undertaking in writing of their full responsibility for the goods they may be holding for third parties or any rights and liabilities of any other party.
- 3- Amendment of the particulars of the contract or the investment agreement.
- 4- Amendment of the particulars of the company in the Commercial Registry at the Ministry of Commerce and Industry as per the applicable legal procedures

Article (22): The Committee Chairperson may revoke the lease contract or investment agreement concluded with the company operating in the Zone in any of the following cases:

- A- If the company operating in the zone discontinues practicing the economic activity for one year.
- B- If the company operating in the Zone delays payment of due rents for six months from the maturity date thereof.

- C- If the company operating in the Zone or any of its officers is convicted in a smuggling crime.

Article (23): The particulars of the company operating in the Zone shall not be amended by any party without consent of the Management, including amendment of particulars of the company's commercial registration.

Chapter Six

Rules of Liability

Article (24): The Zone shall not be responsible for the following during the deposit period of goods:

- 1- Any defect or damage to the goods due to their nature, packing method or lacking of package thereof, or temperature or moisture effect thereon.
- 2- Defect, destruction, damage or shortage to the goods due to disorders, riots, war operations and all other cases of force majeure.

Article (25): Subject to the provisions of Article (24) hereof, the Zone shall be responsible for defect, destruction, damage or shortage to any goods stored in the warehouses or common yards if proved it was due to an act or omission of any of the Zone staff and employees or to non-usability of its warehouses for storing these goods.

The Committee Chairperson may make any settlement with the bailor for compensation he deserves against the defect, destruction, damage or shortage that affected his goods without resorting to courts.

Article (26):

- 1- All goods that enter the rented location shall be in the custody of the company operating in the Zone and under its responsibility. The company shall keep books and entries as per the Committee Chairperson's instructions in a manner that facilitates audit of such books and tally the same with the Zone records.
- 2- The company operating in the Zone shall be accountable to the Zone and the Directorate General for Customs for any shortfall in balances or discrepancy in the type of goods whether owned by it or stored with it for a third party.
- 3- The company operating in the Zone shall be jointly liable with its bailors for paying any

fees due to the Zone on the goods stored with it for a third party.

- 4- The company operating in the Zone shall submit an insurance policy in line with the rules approved by the Committee Chairperson. Otherwise, the goods stored by the company and owned by it or by a third party shall be deemed to be under the coverage of the Zone insurance policy at the expense of the operating company.

Article (27):

- A- If the company operating in the Zone fails to remove all contents of the rented location upon expiry of the contract period or the revocation thereof, the Committee Chairperson may order evacuation of the location at its expense. After that, the contents thereof shall be held at the daily storage fee at its expense in the common warehouses or yards. The Zone shall not be responsible for any loss or damage to the goods due to evacuation or transportation.
- B- In the event of expiry or revocation of the contract and the Management is not willing to take over the installations constructed by the company operating in the Zone, the latter should within six months evacuate the location. Failing that, the Management shall carry out the evacuation at the expense of the operating company.

Article (28): The company operating in the Zone may store goods other than its own upon the consent of the Director General as per warehousing contract certified by the Management. The company shall be responsible for these goods.

Article (29): The company operating in the Zone shall be accountable to the Zone and Customs Department for all goods at its disposal and it must keep records for the same.

Article (30): The company operating in the Zone, forwarders, authorized persons and those who deal with the Zone shall be responsible for veracity of the documents and information they submit and for facing any legal actions in respect thereof.

Article (31): The company operating in the Zone shall be responsible for the behavior of all its staff within the Zone.

Article (32): The following acts shall not be allowed within the Zone:

- 1- Setting fire in any manner inside the warehouses and storage locations, including lighting of candles, gas, petrol or the derivatives thereof, alcohol, lighters or

- striking a match and any flammable substances even if for personal use.
- 2- Smoking inside warehouses, offices, factories and other projects and in the yards.
 - 3- Using liquid or gaseous fuels for lighting.
 - 4- Using electrical current for other than lighting inside offices and warehouses, except for operation of the factories in accordance with the technical conditions set by the Zone.
 - 5- Construction of driving power or lighting facilities in the stores or factories without the consent of the Committee pursuant to the conditions and guarantees it decides.
 - 6- Transferring goods from the Zone warehouses or yards to the rented locations or vice versa without approval of the concerned officials of the Management.
 - 7- Consumption of goods within the Zone in violation of the instructions issued by the Committee Chairperson.
 - 8- Accommodating the workers or employees in the Zone in other than the designated locations in violation of the conditions issued by the Committee Chairperson.

Chapter Seven

Rules for Bringing in and Taking out of Goods

Article (33): The following goods shall not be brought into the Zone:

- A- Goods of banned origin or source.
- B- Narcotics with the exclusion of those required for drug and pharmaceutical manufacturing as specified by the Ministry of Health.
- C- Firearms, ammunitions and explosives save hunting arms and the ammunitions thereof and fireworks as specified by Royal Oman Police.
- D- Inflammables and radioactive substances unless upon approval of the concerned authorities as per the specified conditions.
- E- Spoiled and expired foodstuff, damaged material and other material that have adverse effect on the environment.

The Zone shall confiscate the violating goods without compensation to their owners and may claim compensation from them for each breakdown, damage or defect arising from bringing in such goods.

Article (34):

- A- Bringing in goods into the Zone from outside the Sultanate shall be in accordance with the following procedures:
- 1- Preparation of transit bill of entry at the border checkpoint through which the goods shall enter addressed to the Zone as per the procedures approved by the Customs Department. Such goods shall be treated as the transit customs bills crossing the territories of the Sultanate.
 - 2- Auditing customs bills of entries by Al-Mazunah Customs Section and treating the same as bills of entry crossing on transit to the Yemeni side. Al- Mazunah Customs Section staff shall confirm this by using stamps designed for this purpose. They shall also maintain a register for that.
 - 3- Collection of goods by the Zone staff who shall confirm the entry thereof and complete the incoming goods inspection form.
 - 4- Determining the storage location of the goods, handing over the goods to the common warehouse keepers or storing the same with the owner if he is one of the companies operating in the Zone and has a warehouse existing in the Zone. In such case, the owner shall be accountable to the Zone and the Customs Department for the said goods until it taken out pursuant to the approved documents.
 - 5- Attestation of the inspection forms in the Zone registers.
 - 6- Issuance of goods deposit document in the Zone as per the approved form.
- B- Goods, except vehicles, equipment and machinery, coming from within the Sultanate shall enter the Zone pursuant to certificate of origin and invoice from the exporter as per the approved procedures in the Sultanate through Al-Mazunah Customs Section. A customs bill of entry addressed to the Zone shall be prepared and the procedures for the entry thereof shall be according to Clause (A) of this Article.
- C- Vehicles, equipment and machinery coming from within the Sultanate shall enter the Zone through Al-Mazunah Police Station driven by the owner thereof or his authorized representative, as the case may be. Possession of the ownership shall be approved until finalization of procedures pursuant to Clause (A) of this Article. Upon handover of the vehicle to the Zone staff, a quittance certificate or a dispatch certificate of the vehicle shall be submitted and confirmation of non-existence of mortgage thereon in favor of any party.
- D- The owner or his legally authorized representative shall be issued a To Whom It May Concern certificate by the Zone Management addressed to the authority responsible for

the vehicle confirming entry thereof to the Zone.

Article (35): The Management shall periodically notify the ROP Directorate General for Traffic of the vehicles deposited in the Zone.

Article (36): Goods shall be taken out of the Zone in accordance with the following procedures:

- 1- Submission of an application for taking out the goods according to the designated form by the owner of goods or his authorized representative, as the case may be, to the Zone Manifest Section.
- 2- Payment of the fees due to the Zone.
- 3- Attestation of the application for taking out the goods in the Zone registers before loading.
- 4- Bringing in the goods to the customs yard for conformity and inspection.
- 5- Approaching the Zone Customs Section to prepare customs bill containing information of the taking out application.
- 6- Endorsement of the application for taking out goods by the Management for permission of final exit from the Zone.

Article (37): Sale of goods deposited in the Zone shall be documented by preparing title transfer document in accordance with the following procedures:

- 1- The owner of the goods shall submit the sale application by the in the presence of the buyer or their respective authorized representatives to the Zone Manifest Section on the approved form.
- 2- The Manifest Section concerned official shall verify the application, ascertain the ownership, confirm identity, authorizations and quantities sold and match the same with the information in the records.
- 3- The seller and buyer or the authorized representative shall sign the sale application form and the concerned official shall countersign the same.
- 4- Payment of the fees due on the goods to the Zone.
- 5- The sale shall be registered in the records and the ownership entry shall be transferred to the new owner.

Article (38):

- 1- Sale shall be considered as new deposit of the goods for calculation of the Zone fees and determination of the ownership and quantities when taken out or resold.
- 2- If the sale is by a bailor to another bailor or by an operating company to a bailor, they shall conclude a storage contract for the goods.
- 3- It is not conditional to conclude a new storage contract if the goods are taken out within (48) hours from the endorsement of the sale application.

Article (39): Goods shall not be taken out from the Zone without finalization of all procedures, payment of the financial dues thereon and finalization of the customs bill.

Chapter Eight

Final Provisions

Article (40): The Management shall notify ROP Directorate General for Customs and Directorate General for Passports and Residence, Ministry of Manpower and all other concerned authorities upon windup of the investment of any company operating in the Zone. The company shall disclose all expatriate workers issued with employment residence visa under its sponsorship and shall cancel their residence and repatriate them.

Article (41):

- A- In the event of violation of any provision herein, the Committee Chairperson may take one of the following measures:
 - 1- Prevent the violator from entering the Zone for not more than one year.
 - 2- Suspend the violator for not more than three months.
- B- Whoever commits an act that hinders the performance of the Management, contradicts its objectives or threatens security and safety of the facilities, investors or workers within the Zone shall be considered as violator.

Article (42):

- A- The Customs Department shall perform its job at the Zone main entries and exits and the adjacent yards. Its staff shall have the right to inspect individuals and conveyances leaving the Zone only.
- B- The Zone Committee Chairperson shall set up a committee or more comprising representatives from the Management, Customs Department and any other relevant

authority to examine and inspect the goods to ensure there are no smuggled or prohibited goods in the presence of the concerned person or his representative.

- C- The Committee Chairperson or his authorized representative may entrust any of the Zone staff with entry to the rented facilities, factories and lands.
- D- The Committee Chairperson may upon the Management recommendation order removal of the locks and entry to any place within the Zone if required and in the event of failure to reach the party concerned or his refusal to obey the Zone staff. Such action shall be taken in coordination with the concerned police station.

Article (43): The Zone shall exercise the powers of the competent authorities in accordance with the applicable legalizations in respect of granting licenses, certificates and attestations relevant to the work within the Zone.

Article (44):

- A- The company operating in the Zone shall comply with the HSE related laws, regulations and rules.
- B- Government authorities concerned with health, safety and environment preservation may enter any place within the Zone for inspection and verification of satisfaction of the legal conditions upon coordination with the Management.
- C- The Management shall request the companies operating in the Zone to comply with the HSE conditions and requirements and follow up their compliance therewith.
- D- The Management shall grant license for practicing the economic activity to the industrial projects only after obtaining an environmental permit from the competent authorities.

Appendix 1

Schedule of Service Fees

Fee		Description
Bisas	Riyals	
Storage in Warehouses and Areas Fees		
100	-	Fees of storing goods in covered warehouses for one ton per day
50	-	Fees of storing goods in uncovered areas for one ton per day
200	-	Fees of storing of small vehicles per day
300	-	Fees of storing of medium vehicles (passenger bus, truck) per day
		Fees of storing of heavy vehicles and equipment in areas per day
500	-	
00	5	Minimum storing fees per exit request or sale document. This limit shall apply to the goods and vehicles stored only in the warehouses and areas.
Goods and Animals Services Fees		
500	-	For each ton of goods for six (6) months of storing. For the purpose of calculation, each period less than 6 months shall be considered as a complete period.
200	-	For each living or slaughtered cow or camel
100	-	For each living or slaughtered goat or sheep
00	5	Minimum goods and animals services fees per exit request or sale document.
Vehicles Services Fees		
-	5	For small vehicles which weight is less than three (3) tons for each six (6) months of storing. For the purpose of calculation, each period less than 6 months shall be considered as a complete period.
-	6	For medium vehicles which weight is more than three (3) tons and less than seven (7) tons for each six (6) months of storing. For the purpose of calculation, each period less than 6 months shall be considered as a complete period.
-	10	For small vehicles which weight is more than seven (7) tons for each six (6) months of storing. For the purpose of calculation, each period less than 6 months shall be considered as a complete period.

Other Fees		
-	2	Issue a "To Whom It May Concern" certificate
-	1	Issue a replacement of a certificate or permit
-	3	Individual entry permit to the free zone
-	5	Vehicles entry permit to the free zone
-	5	Goods transportation empty means entry permit for the purpose of loading to the free zone
-	50	Contractor work permit for each working month.
-	25	Consultant work permit for each working month.
-	5	Documentation of goods storage with the investor contract
-	5	Documentation for each vehicle by storage contract for third parties with the investor
-	2	Issue a weight card
30	-	For each square meter in the croquet drawing, with minimum fees of three hundred (300) Omani riyals per each croquet drawing.
250	-	For each square meter on reviewing and approving the engineering plans, with minimum fees of two hundred fifty (250) Omani riyals.
150	-	For each square meter on re-reviewing the engineering plans, with minimum fees of one hundred fifty (150) Omani riyals.
-	50	Illuminated sign on the front of the building not exceeding three (3) square meters annually/ and ten (10) Omani riyals per square meter more than that on an annual basis.
-	50	For each day on putting advertising sign on the entrances or inside the free zone.
-	50	For each month on putting advertising sign for foreign product within the area.
-	25	For each month on putting advertising sign for local or GCC product within the area.
-	10	For each month on putting any other advertising sign
-	20	For each additional copy or replacement of the croquet drawing
-	50	Building permit and digging license
-	25	Renewal of building permit
-	10	Issue a replacement of building permit
-	10	Amending building permit details

Goods Sales Documentation Fees		
-	5	For each different goods sale document.
-	5	For each vehicle or machine stated in the sale document
Investment Activity License Fees		
		Fees of issuing license for practicing investment activity
-	300	Industrial
-	150	Service
-	350	Commercial
-	250	Workshops
-	500	Animal Production Projects
Lands, Buildings and Facilities Rent		
250	1	Square meter of space land
500	37	Square meter of concrete buildings (offices)
-	15	Square meter of metal warehouses
500	3	Square meter of equipped auto showrooms
Fees of Waiving Lease rights		
500	-	For each square meter in the plot lease contract on the full waive of the lease rights. The minimum fee should not be less than five hundred (500) Omani riyals.
250	-	For each square meter in the plot lease contract on waiving in favor of the partners in the contract. The minimum fee should not be less than two hundred (200) Omani riyals.
150	-	For each square meter in the plot lease contract on entering new partners in the contract. The minimum fee should not be less than one hundred fifty (150) Omani riyals.



المؤسسة العامة للمناطق الصناعية
Public Establishment For Industrial Estates

MINISTRERIAL DECISION

No. 3/2014

ON THE OPERATION CONTROLS OF THE FREE ZONE IN AL-MAZUNAH

LEGAL LEGISLATION GUIDE

Public Establishment For
Industrial Estates

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Ministry of Commerce and Industry

Ministerial Decision

No. 3/2014

On the Operation Controls of the Free Zone in Al-Mazunah

Pursuant to the Law of Free Zones promulgated by Royal Decree No. 56/2002,
The Royal Decree No. 103/2005 establishing the Free Zone in Al-Mazunah,
The Regulations of the Free Zone in Al-Mazunah issued by Decision No. 22/2010 from the Chairperson of
Free Zones Committee,
The approval of the Free Zones Committee,
And as per the exigencies of the public good,

It is resolved

Article One

The enclosed controls shall apply to the operation of the Free Zone in Al-Mazunah.

Article Two

Revoked shall stand all that contradicts or contravenes the provisions of the enclosed controls.

Article Three

This Decision shall be published in the Official Gazette and shall enter into force on the following day.

Issued on: 5 Rabi' Awwal 1435 AH

CT: 7 January 2014 CE

Dr. Ali Masaud Ali Al-Sunaidi

Minister of Commerce and Industry

Chairperson of Free Zones Committee

Operation Controls of the Free Zone in Al-Mazunah

Chapter One

Definitions

Article (1)

In the application of the provisions of these controls, the terms included therein shall have the same respective meanings set to them in the Law of Free Zones promulgated by Royal Decree No. 56/2002 and the Regulations of the Free Zone in Al-Mazunah issued by Decision No. 22/2010 from the Chairperson of Free Zones Committee. The following terms shall have the respective meanings hereunder unless the context requires otherwise:

Regulations:

Regulations of the Free Zone in Al-Mazunah

Relevant Department:

The department concerned with the application of the provisions of these controls in the Zone

Investor:

Every operating company or bailor

Payer:

The operating company/ bailor

Estimated Value:

The value estimated for the goods decided to go for sale at a public auction or for destruction as per the provisions of these controls

Auctioneer:

The natural or legal person who participates in the goods auction offered for sale at a public auction as per the provisions of these controls

Sale Committee:

The committee formed by a decision from the Director General to sell the goods at a public auction as per the provisions of these controls

Gate

The Zone gate

Empty Conveyance

A means of transportation that enters the Zone to load the goods

Foreign Conveyance

Any land non-Omani means of transportation

Transportation Agent

Any company licensed to practice goods transportation, loading and unloading in the Zone

Handling

The process of loading and unloading goods

License

The license for practicing investment activity

Chapter Two**Permits****Article (2)**

The relevant department shall issue the following permits for individuals' entry into the Zone. This shall be according to an application by the working company or provider of services to the Zone:

- 1- **Investor's Entry Permit:** issued to the investor and valid for one year from its issuance date.
- 2- **Entry Permit of the Authorized:** issued to natural persons authorized by the investor provided the applicant submit to the relevant department an original copy as per the controls for approval of disposals and authorizations in the Zone. This permit shall be valid from its issuance date.
- 3- **Service Provider's Entry Permit:** valid for a period not exceeding one year from its issuance date.
- 4- **Worker's/ Employee's Entry Permit (annual):** issued to the staff of the working company valid for one year from its issuance date.
- 5- **Worker's/ Employee's Entry Permit (temporary):** issued to the dealers with the investors. It shall be valid for not more than one month from its issuance date.
- 6- **Visitor's Entry Permit:** issued to the visitors of the Zone upon each entry and valid until the end of the business day of its issuance.

Except for the visitor's entry permit, permits shall carry a high definition recent photo. Each type of permit shall have a distinct color.

Article (3)

The relevant department shall issue a private vehicle entry permit to the following categories upon the application of the working company or service provider provided the vehicle owner or the one authorized to drive it hold the entry permit to the Zone:

- 1- Investors
- 2- Authorized persons
- 3- Service providers

- 4- Employees/ workers (annual)
- 5- Employees/ workers (temporary)
- 6- Visitors

The permits mentioned shall be valid for the validity period of the entry permit of the vehicle owner or the one authorized to drive it. No goods or materials of commercial value shall exit the Zone inside the private vehicles. In case of violation, a seizure report shall be issued and the vehicle shall be sent along with the report to the Zone Customs Police Station to take the applicable customs procedures.

Article (4)

- A- The relevant department shall issue the entry permits of public conveyances according to the following conditions:
 - 1- The permit applicant should own the conveyance or rent it from a working company that practices passenger transport activity in the Zone.
 - 2- The conveyance license should be valid for at least three (3) months.
 - 3- The conveyance should have a passenger insurance policy and against third parties valid during the validity of the permit.
 - 4- The validity of the permit shall not exceed that of the conveyance license.
- B- The public conveyances owned by working companies in the Zone shall not transport other than their respective workers and employees.

Article (5)

The relevant department shall issue the entry permits for both Omani and foreign conveyances to the Zone for loading purposes. This shall be without prejudice to the international agreement on land transport to which the Sultanate is a party.

Article (6)

Upon the request of the transportation agent, the relevant department shall issue an entry permit for the empty conveyance to the Zone on the designated form. The companies working in the Zone shall not load any goods from their respective warehouses by other than authorized conveyances.

Article (7)

No party shall practice the activity of goods transport services in the Zone via other than a transportation agent that provides conveyances for transporting goods inside the Zone, to the customs territory of the

Sultanate, or to another country. A company working in the Zone may transport its goods from the Zone by land conveyances it owns after obtainment of a permit for that.

Article (8)

The transportation agent shall:

- 1- Rent a plot in the Zone for parking its conveyances and accommodating the machinery and equipment used in handling.
- 2- Be licensed to practice land transport activity as a secondary activity within the service license.
- 3- Provide empty conveyances within twenty-four (24) hours from the time of request by the working company.
- 4- Not take the foreign land conveyances to the countries in which they are not registered unless after obtainment of a prior permit to do that.

The transportation agent shall be entirely responsible for the conveyance allowed to enter the Zone and its driver from the time of entry into the Zone until exit therefrom.

Article (9)

There shall be no loading of any land transport conveyance from within the Zone unless there is a permit for that issued by the relevant department.

Article (10)

Without prejudice to the international agreement on land transport applicable in the Sultanate, the foreign land transport conveyances shall not move between two points inside the Zone or load from within the Zone to the customs territory or to any other country other than that of their registration.

Article (11)

The foreign conveyances entering the Zone without unloading may exit directly to the destination country regardless of its nationality after the completion of the customs procedures.

Article (12)

The relevant department shall keep the following registers at the Zone gate:

- 1- Register for individuals and private vehicles that shall include the names of individuals (visitors), their nationalities, type and number of their IDs, and number and country of registration of their vehicles.



- 2- Register for empty conveyances that enter the Zone for loading purposes that shall include the number of the conveyance, its country of registration, entry permit, and type and number of driver's ID.

Article (13)

The authorized officers who have the judicial arrest capacity may enter the Zone without a permit.

Article (14)

On a daily basis, the security and safety personnel in the Zone shall take an inventory of all the goods conveyances in the Zone at the end of working hours and inform the relevant department of the same to take the required procedures with the transportation agent.

Article (15)

- A- The relevant department may withdraw the entry permits to the Zone and prevent the authorized person from entry in any of the following cases:
 - 1- If the authorized person commits any act that hinders work in the Zone, contradicts with its objectives and purposes, threatens the safety and security of the establishments, working companies, or workers therein, or violates the Free Zones Law, the Regulations of the Free Zone in Al-Mazunah, or the applicable instructions or controls.
 - 2- If the public conveyance transports people unauthorized to enter the Zone.
- B- The decision on entry prevention into the Zone shall be reasoned and its period shall not exceed one year from the date of its issuance. No entry permit to the Zone shall be granted to a person previously denied entry into the Zone during the prevention period unless upon the approval of the Committee Chairperson.

Chapter Three

Signs and Advertisements

Article (16)

- A- The Zone shall place guiding signs at strategic locations showing the locations of the working companies.
- B- The Zone and working companies shall place guiding and warning signs inside work locations and emergency plans at the entrances and exits of work locations.

The working companies shall abide by the design prepared by the relevant department for the guiding signs.

Article (17)

The working company shall place in its location a sign that carries name and type of its activity and any other data determined by the relevant department. For the sake of consistency, the Zone may provide and fix the signs on these locations. In this case, the working company shall bear the costs of its signs.

Article (18)

Prohibited shall stand any fixing or placing of a board, writing, prominent letters, sign or inscription for advertising or promoting a name, shop, commodity, trade, profession, activity or any other thing. This shall include advertisements operated by intermittent or permanent neon, and static, dynamic or shifting advertisements without the approval of the relevant department.

Article (19)

The details on the signs and in advertisements shall be consistent with the details mentioned in the commercial register and the documents related to the trademark of the working company and placed in a conspicuous rather than a misleading manner.

Article (20)

Neither the sign nor the advertisement shall contain anything that violates the laws, regulations and systems applicable in the Sultanate. They shall not infringe upon the religious feelings or public morals or order. In case of violation, the Director General or his delegate may order the removal of the sign or the advertisement at the expense of the violator without prejudice to the penal liability of the offender.



Article (21)

The working companies shall maintain and renew the signs whenever necessary. They shall also meet the general safety conditions for the sign.

Article (22)

The working companies shall move or remove the signs and advertisements from their respective business locations in case of evacuation.

Article (23)

The provisions stipulated in this Chapter shall not apply to the signs and advertisements of the units of State Administrative Apparatus and the public authorities and institutions working inside the Zone.

**Chapter Four
Workers' Accommodation****Article (24)**

- A- The permanent accommodations of workers in the Zone shall be established only in the locations designated by the Zone.
- B- The entrances and exits of the residential area shall be separate from the remaining investment sector in the Zone.

Article (25)

The Zone shall provide enough spaces for entertainment, games, first-aid services, and primary medical center in the designated residential area.

Article (26)

The permanent accommodation buildings of workers in the Zone shall fulfil the following conditions:

- 1- The total area shall be commensurate with the number of workers in each building.
- 2- The number of workers in each room shall be commensurate with its area.
- 3- The engineering conditions and standards as per the Omani specifications for residential buildings. They shall be separate from one another in a way that provides appropriate ventilation of the rooms therein.
- 4- The public safety conditions as per the requirements of the civil defense.
- 5- Appropriate health facilities in each building.

- 6- Proper ventilation.
- 7- Appropriate air-conditioning and cooling facilities that suit the climate conditions therein.
- 8- Services of sewage and pure water valid for human use as per the applicable standards in the Sultanate.
- 9- A designated location in each building to prepare foods and keep them separately from the rooms in way that ensures the safety of workers, foods, and drinks.

Article (27)

The contractors licensed to work in the Zone may build a temporary accommodation for the workers during the works execution period after the approval of the relevant department provided the accommodation fulfil the following:

- 1- The public safety conditions as per the requirements of the civil defense.
- 2- The appropriate healthy environment in terms of sound ventilation and services of sewage and pure water valid for human use as per the applicable standards in the Sultanate.
- 3- To be at an enough distance from the excavation, filling, and construction works.
- 4- To be on plots leased to the working company that owns the building or the project or to be rented for that purpose.
- 5- Provisions of a quick conveyance in the accommodation around the clock.
- 6- Provision of an appropriate conveyance in emergencies at the accommodation location.

Only the workers in that project allowed to enter the Zone shall stay in that accommodation.

Article (28)

- A- An Omani supervisor of each building shall be appointed provided the supervisor be a woman in the buildings allocated to women.
- B- The buildings allocated to women shall be separate from those allocated to men. Mixing between genders shall not be permissible in the residential buildings.
- C- The buildings allocated to families shall be separate from those allocated to unmarried workers.
- D- The working company that manages and operates the residential buildings in the Zone shall provide the relevant department periodically with the numbers of buildings, lists of workers in each building and their details.



Article (29)

The relevant department or its authorized representative shall conduct a periodical inspection of the workers' accommodation in the Zone to ensure the application of the controls, conditions and specifications in force.

Article (30)

The working companies that rent an accommodation for its employees from the Zone shall not lease the same or share others in the buildings except upon the approval of the relevant department.

Article (31)

The working companies shall not lease their residential buildings, either wholly or partially, before obtainment of the approval of the relevant department and adding the activity of real estate investment to license of practicing investment activity in the Zone.

**Chapter Five
Workers in the Zone****Article (32)**

The working company shall:

- 1- Inform the relevant department of all details related to its workers within fifteen (15) days of their joining the work.
- 2- Maintain a register to write the names of its workers, date of joining work, address, contact information, and the name of a person or known entity in the Sultanate and homeland to contact when necessary. The working company shall inform the relevant department of these details and update them. The working company shall be responsible for the validity of these details.
- 3- Not allow any worker to work for it except according to the adopted legal procedures.
- 4- Not allow workers to sleep in workplaces.

Article (33)

The workers in the Zone shall:

- 1- Keep entry permits to the Zone and show the same to the safety and security personnel in the Zone whenever requested.
- 2- Abide by the laws, regulations, and customs.

Article (34)

The workers in the Zone shall not:

- 1- Sleep in workplaces.
- 2- Be present in the workplaces in other than the official working hours without the approval of the relevant department.
- 3- Move around in the locations of working companies or other than the common area in the Zone unless necessary.
- 4- Commit any act that would undermine zone stability.
- 5- Possess or exchange pornographic films, images, and magazines and any other materials that violate morals and religious values in the zone.
- 6- Commit any act that would destabilize the Zone.
- 7- Commit any act that would arouse others' emotions and feelings.
- 8- Utter any saying or perpetrate any act that would infringe upon the religious beliefs or violate the good conducts, behaviors and morals adopted in the Zone.
- 9- Attack or abuse any employees or workers in the Zone.
- 10- Consume alcohol or any narcotics.
- 11- Smoke at other than the designated places.
- 12- Exchange movies, photos, magazines, and other materials that are against morals, ethics, and religious values.

Chapter Six

Insurance

Article (35)

Through the relevant department, the Zone shall:

- 1- Insure all the buildings, offices, plants, warehouses and real estate units it may establish and the machinery and equipment it owns in the Zone immediately after the completion of the construction thereof.
- 2- Insure all the goods owned by the investor if stored at the stores, warehouses or buildings owned, managed and operated by the Zone. The insurance policy shall cover all the damages and risks that may affect these goods. In this case, the Zone shall collect the cost of insurance on these goods plus ten percent (10%) of that cost as service fees.

Article (36)

The working company shall:

- 1- Submit an insurance policy that covers all the damages and risks that may result from construction operations before the issuance of the building permit.
- 2- Submit an insurance policy that covers all buildings, offices, plants, warehouses or real estate units it established and the machinery and equipment used in its operating or production processes immediately after the completion of construction operations. The relevant department shall not issue any construction completion certificate to the working company before the submission of this policy according to the provisions of these controls.
- 3- Submit an insurance policy covers all the damages and risks that may affect the goods it owns or holds in its stores or warehouses for other working companies or other bailors unless the owner of the goods submits an insurance policy for his goods.
- 4- Not commence its operations in the Zone, if its buildings are rented, before submitting an insurance policy that covers the plants, machinery, and equipment used in its operating or production processes.
- 5- Submit an insurance policy on its workers.

Article (37)

The working company may submit one or various insurance policies to cover the damages and risks that may affect its workers and the buildings, offices, plants, warehouses, real estate units and goods it owns or holds for third parties.

Article (38)

The insurance policy shall be valid for one calendar year or less than that upon the approval of the relevant department. In all cases, the renewal of the policy, if required, shall be at least fifteen (15) business days before its expiry.

Article (39)

- A- All insurance policies pursuant to these controls shall be submitted to the relevant department that shall decide on their approval within five (5) business days from the date of submission.
- B- In the case of approval of the insurance policy, its submitter shall receive a receipt that indicates its number and the hour, day and date of its submission. In the event of disapproval of the insurance policy, the relevant department shall return it to its submitter along with the reasons for rejection.

Article (40)

- A- The insurance policy on goods shall cover all damages and risks that may affect them from their entry date into the Zone, throughout the period they remain there, and until they exit the Zone and enter the customs yard.
- B- The insurance policy shall cover all damages and risks that may affect the persons and properties of third parties in the Zone provided the relevant department determine the maximum limit of liability for each accident before the approval of the policy.
- C- If the value of goods entering or stored in the Zone exceeds the value of the insurance policy submitted for these goods, the working company shall increase the value of the policy amount accordingly to cover the full value of these goods and its full liability toward the Zone and any third party.

Article (41)

- A- The insurance policy submitted by the investor shall include an explicit text that stipulates the invalidity of any condition that exempts the insurance company of liability for compensation.
- B- The insurance policy submitted by the investor shall include an explicit text that stipulates that the insurance company shall not claim any amounts from the Zone against the compensation the company has paid to the affected party.

Article (42)

- A- If the working company submits an insurance policy that covers specific goods, it shall not store other goods before amending the insurance policy and adding these goods to it.
- B- If the working company submits an insurance policy that covers only the goods it owns, it shall not store goods of third parties before amending the insurance policy and adding these goods to it.

Article (43)

The name of the insured shall be identical to the name mentioned in the lease contract, the investment agreement or goods bailing application.

Article (44)

The Director General may reject the insurance policy if issued by an insurance company that had previously procrastinated payment of compensation for damages unlawfully without or claimed the compensation it had paid from the Zone.



Article (45)

The insurance policy shall be in Arabic. If it is in a foreign language, it shall be accompanied by a certified Arabic translation. In the case of disagreement in interpretation, the Arabic version shall prevail.

Chapter Seven
Registers and Entries**Article (46)**

The Zone shall keep the following registers:

- 1- The manifest register.
- 2- Goods destruction register.

Article (47)

The working companies shall keep the following registers in a hard or soft format provided the relevant department approve them before the conduction of work according to them:

- 1- General Goods Register: it includes all the data and information contained in the Zone manifest register. The working company shall write therein all the operations it conducts on the goods, such as transporting, bailing, exiting, and balance in warehouses.
- 2- Destroyed Goods Register: it includes all the data and information of the goods destroyed.
- 3- Manufacturing Equations Register: it includes the data and information of the goods involved in production operations as for the companies licensed to practice industrial activity.

Article (48)

Upon the application of these controls for the first time, the working companies shall take inventory of its warehouses as regards the raw materials and produced goods and their respective balances. The Zone shall issue goods bailing document of the balance.

Article (49)

The working companies shall match their registers with those of the Zone at least once a year and when necessary. Each working company shall ensure the registers are matching. In case of loss or damage of any of these registers, the balances in the registers and entries of the Zone shall be adopted for the purposes of audit and review.

Article (50)

- A- In case of discrepancy between the registers of the working company and those of the Zone, a joint committee of representatives of the working company and the Zone shall be formed to audit and conform the registers the working company and those of the Zone. This committee shall conduct an actual inventory of the goods quantities stored in the warehouses of the working company and conform them with the entries and documents related to the goods with the Zone.
- B- If the committee mentioned in paragraph (A) above finds there is a difference between the registers of the working company and the quantities of goods actually stored in its warehouses while the representative of the working company has not provided enough details to justify that, the Zone representative shall inform the Zone customs station via the relevant department. In this case, formed shall be an auditing and inspection committee as per the provision of Article (42-B) of the Regulation. In the light of the report issued by this committee, legal procedures shall be taken against the working company and the entries shall be rectified accordingly.

Article (51)

At the end of each calendar month, the working companies shall provide the relevant department with soft copies of the updated registers and entries. The relevant department shall keep these copies until the auditing date.

Article (52)

The working companies shall keep the hard and soft registers of goods for at least five (5) calendar years from their closing date. The working companies shall not destroy any of these registers without the approval of the relevant department. In case of selling the goods inside the Zone between the working companies, the selling company shall provide the purchasing company with a copy of all documents related to the sold goods. The purchasing company shall keep these documents for the same period.

Article (53)

The Zone shall keep the registers and documents related to goods for the following periods:

- 1- Registers: for fifteen (15) years from its date of closing.
- 2- Documents: for five (5) years after their date of issuance.



Chapter Eight

Powers of Attorney and Authorizations

Article (54)

The disposer, the dispossess, and the authorized shall be eligible for disposal according to the laws applicable in the Sultanate at the time of disposal.

Article (55)

If the owner of the goods is a legal person, it shall submit an original copy of the authorization to the relevant department through its authorized person or legal representative for the approval of the authorization to dispose of the goods bailed in the Zone.

Article (56)

If the owner of the goods is a natural person or a sole proprietorship, the owner, the authorized or the legal representative of the sole proprietorship shall submit an original copy of the authorization for the approval of the authorization to dispose of the goods bailed in the Zone.

Article (57)

If the owner of the goods is one of the units of State Administrative Apparatus, public joint-stock companies or diplomatic organizations or authorities, the Zone shall accept the letter issued from these bodies for the disposal of the goods bailed in the Zone.

Article (58)

If the owner of the goods is a charity, club or the like, the authorized for financial matters shall attend in person for disposing of the goods bailed in the Zone. If the authorized for financial matters delegate another person to dispose of the goods, the Zone shall endorse the authorizations signed by them. In all cases, submitted shall be the documents that prove the powers of those authorized for financial matters or the others they delegate.

Article (59)

The authorizations endorsed by banks, chambers of commerce and similar official institutions shall not be acceptable except for the following purposes:

- A- Purchase of the goods bailed in the Zone.
- B- Authorization of proceeding with goods clearance procedures.

- C- Proceeding with storage procedures and signing storage contracts.

Article (60)

For the purposes of disposing of the goods bailed in the Zone, approved shall be the powers of attorneys issued by the notary public and the like in the Sultanate or abroad.

Article (61)

For the purposes of disposing of the goods bailed in the Zone, approved shall be the powers of attorneys issued by the embassies, consulates general, honorary consulates, commercial bureaus of the Sultanate abroad or the like.

Article (62)

If the documents of the powers of attorneys are issued outside the Sultanate, they shall be authenticated from the internationally recognized authorities for disposing of the goods bailed in the Zone.

Article (63)

The documents issued by the entities legally authorized of the following issues shall be endorsed for changing the title of the goods bailed in the Zone:

- 1- Estates
- 2- Gifts
- 3- Donations
- 4- Wills
- 5- Any other issues

Article (64)

For endorsing the disposal of goods, the following documents shall be submitted:

- 1- Identification document for the goods if bailed in the name of a person.
- 2- The commercial register or a true copy thereof according to the latest amendment and a copy of the authorization for the goods bailed in the name of a sole proprietorship or a legal person.

Article (65)

The procedures and provisions applicable in the Directorate General for Customs shall apply to the regulation of the customs clearance activity and the profession of customs clearance officer for the purposes of clearing the goods entering to or exiting the Zone.



Article (66)

The powers of attorney and authorizations shall be valid for their respective validity periods and until the submission of a proof to their expiry if they are unlimited.

Article (67)

For endorsement of the powers of attorney and authorizations, they shall:

- 1- Determine the powers of the attorney or the authorized person precisely and indicate if the powers of the attorney or authorization allows them to delegate others or not.
- 2- Be patently sound and explicit in meaning without any erasure, deletion, addition, separations, footnotes or effacement unless endorsed by the issuing entity or other stakeholders as per the case.

Article (68)

The attorney or the authorized shall inform the relevant department of the demise of the owner of goods, termination of the working company, or the end of their capacity as an attorney or authorized.

Article (69)

Within the scope of applying these controls, the person who submits the power of attorney, the authorization, or any other document for disposing of the goods bailed in the Zone shall be fully liable to third parties for the validity of the submitted power of attorney, authorization or document with no liability on the Zone.

Chapter Nine**Transport of Goods****Article (70)**

Goods may be transported within the Zone among the working companies or between them and the Zone according to the following procedures:

- A- Goods transportation application shall be submitted to the relevant department on the form prepared for that purpose. This application shall include the description, number, and weight of the transported goods and the location from/to which they shall be transported.

The relevant department shall decide on the application within three (3) business days of the date of submission. In case of approval, the owner of the goods shall transport the goods without

prejudice to the provisions stipulated in these controls. In case of disapproval, the decision should be justified.

- B- The owner of the goods shall submit the goods transportation form to the relevant department within five (5) business days of the completion date of transportation.

Article (71)

The relevant department shall visually inspect the goods to be transported before and after transportation in the following cases:

- A- If their value exceeds one hundred thousand (100,000) Omani Rials. Inspection may take place of the goods if their value is less than that amount whenever necessary.
- B- If transportation may affect or damage their nature.
- C- If they are food or chemical materials.
- D- If their storage in the Zone has been for more than one calendar year.

Article (72)

Transported shall not be any goods from the warehouses or stores of the Zone to the warehouses or stores of the working company before the end of the storage reason if the reason of storage relates to the type of goods or public safety, or if the goods are attached pursuant to a judicial judgment or any other legal reason.

Article (73)

The goods sale contract between the working companies shall be considered as goods transportation application form and the entries of storage location shall not be transferred unless the purchasing working company desires to keep the goods stored with at the selling company. In this case, they shall conclude a storage contract provided actual transportation should be within a week from the date of approving the sale contract.

Article (74)

The bailor shall conclude a storage contract if he desires to transfer his goods from the warehouses or stores of a working company or the Zone to the warehouses or stores of another working company. There should be an approval from the relevant department if the transportation is to the warehouses or stores of the Zone.

Article (75)

The insurance policy submitted by the owner of goods or the insurance policy of the land conveyance shall cover all the damages and risks related to the transportation process.



Article (76)

The insurance policy submitted by the working company to which the goods shall be transported shall cover the transported goods in terms of type and value.

Chapter Ten
Consumption of Goods**Article (77)**

Upon the approval of the relevant department, the working company may consume the following goods in the Zone:

- 1- Goods involved in construction of buildings and establishments in the Zone, such as the various building materials.
- 2- Goods used for cleaning and sterilizing production lines.
- 3- Goods used in maintaining establishments, factories and production lines.

Article (78)

Prohibited shall be the consumption of the following goods in the Zone:

- 1- All types and forms of foodstuff, whether food or beverages.
- 2- Consumer materials, such as stationery, fabrics and regular cleaning materials used daily.

Article (79)

The Director General shall form a specialized technical committee of at least three (3) members, including a representative of the Directorate General for Customs. This committee shall review the goods consumption applications mentioned in Article (77-2 and 77-3) of these controls, ensure the importance and need to consume them, determine the enough quantities for use, and set the required technical and health conditions. The committee shall refer its recommendations to the relevant department to complete the required procedures.

Article (80)

The consumption of the goods shall be according the following procedures:

- 1- The consumption application of the goods involved in the construction of buildings and facilities in the Zone shall be submitted to the relevant department accompanied by the engineering

schemes and bills of quantities. The relevant department shall review the application and refer its recommendations thereon.

- 2- The consumption application of the goods used for maintaining and sterilizing the buildings, facilities and factories, and maintaining and cleaning production lines shall be submitted to the relevant department accompanied by a technical report that indicates the quantities to be consumed. The application with the enclosed technical report shall be referred to the technical committee formed for this purpose to review it and refer its recommendations thereon.

Article (81)

- A- The director of the relevant department shall approve the consumption of goods whose value is less than ten thousand (10000) Omani Rials per annum for each working company.
- B- The Director General shall approve the consumption of goods whose value is ten thousand (10000) Omani Rials and more per annum for each working company.

Article (82)

No quantities of goods more than the approved quantities shall be consumed without a prior approval for the consumption of the additional quantities and according to the same procedures stipulated in Article (80) of these controls. The quantities consumed without that prior approval shall be considered as contraband.

Article (83)

No approval shall be granted for the consumption of goods for the second time for cleaning and sterilizing production lines unless after the consumption of (75%) of the original quantities approved for consumption.

Article (84)

The use of packing materials in repacking operations shall not be considered as consumption of goods. Submitted shall be manufacturing equations that indicate the quantities used in these operations, description of goods before and after packing, and the percentage of damaged quantities because of work.



Article (85)

The working company shall keep a special register for the goods approved for consumption that indicates the bailing number, quantities that entered the Zone, consumed quantities and the date of consumption.

Article (86)

The working company shall submit an exit application for the goods consumed along with the documents that prove consumption to the relevant department to complete the related entries.

Article (87)

The working company that has submitted goods consumption application in construction works shall not obtain the construction completion certificate before it has completed all related entries.

**Chapter Eleven
Destruction of Goods****Article (88)**

The Director General shall issue a decision to form a committee for the destruction of goods chaired by one of the Zone staff whose grade is not less than director of department and membered by the following:

- 1- Representative of the Directorate General for Customs.
- 2- Representative of the Ministry of Environment and Climate Affairs.
- 3- Representative of the competent municipality in the Wilayat where the Zone is located.

The Director General shall appoint a rapporteur of this committee from among the Zone staff. The owner of the goods or his authorized person shall attend its destruction process.

Article (89)

The Goods Destruction Committee shall:

- 1- Inspect the goods externally and conform them to the actual register entries.
- 2- Determine the appropriate manner to destroy the goods to get rid of them in a safe and environment-friendly manner.
- 3- Determine the destruction location and date.
- 4- Supervise the transport of goods from their storage location to their destruction location.
- 5- Supervise the destruction process directly.
- 6- The committee shall prepare the destruction minutes signed by its members.

Article (90)

The Zone shall destroy the following goods:

- 1- The expired goods.
- 2- The goods whose presence is dangerous to the other goods and individuals in the Zone.
- 3- The goods that cannot be sold at the public auction.
- 4- The goods subject to a judicial judgment issued to destroy them.


Article (91)

The goods shall be destroyed in the Zone according to the following procedures:

- 1- The Goods Destruction Committee shall set an estimated value of the goods decided for destruction based on the goods entrance documents, their general condition on the date of issuance of the destruction decision and with reference to standard cases. This shall be for documentation and maintaining the rights of the Zone against any future claims.
- 2- The relevant department shall prepare the statements of goods to be destroyed.
- 3- The relevant department shall refer the statements to the Director General along with the recommendation to destroy the goods and the cause of destruction per case.
- 4- The relevant department shall inform the owner of the goods or the authorized person of the destruction decision at least fifteen (15) business days before the date set for destruction.
- 5- The owner of the goods or the authorized person may request the suspension of destruction procedures if he provides acceptable justifications provided he take the goods out of the Zone within the period set by the Director General.
- 6- The relevant department shall refer the statements after approval to the Destruction Committee formed according to the provisions of these controls.

Article (92)

The Director General or his delegate shall issue the goods destruction decision at least five (5) business days from the date set for destruction and send copies thereof to the bodies represented on the Committee provided the decision include the following details:

- 1- Name of the goods owner or his authorized person.
 - 2- Number and date of bailing.
 - 3- Description of the goods.
 - 4- Reason for destruction.
 - 5- Destruction location and date.
- 

All documents related to the goods shall be enclosed with the destruction decision.

Article (93)

The relevant department shall collect the charges due on the goods and the destruction expenses before the commencement of destruction process. If the authorized person does not pay these amounts, the relevant department shall continue the procedures and they collect the charges later according to the financial procedures applicable in the Zone.

Article (94)

The goods may be destroyed in the Zone pursuant to the provisions of these controls upon the request of its owner or the authorized person according to the following conditions:

- 1- If there is no dispute over their ownership.
- 2- If there are no intellectual property rights issues related to them.
- 3- If their destruction has no negative effect on the environment.
- 4- If it is not possible to sell or dispose of them or if they do not have a commercial value.
- 5- If the owner of the goods or the authorized person submits an undertaking that the Zone is not liable for the destruction.
- 6- If the charges due on the goods until the date of their destruction and the costs resulting from the destruction process are paid.

Article (95)

After all committee members sign it, the destruction minutes shall be considered as an application to take the goods out of the Zone and entries shall be amended accordingly.

Article (96)

If the Goods Destruction Committee members have different views, they shall refer the issue to the Director General for decision that shall be final.

Article (97)

Upon the preparation of the goods destruction minutes, the following shall be considered:

- 1- The minutes shall include the adopted destruction method and detailed description of the condition of goods after destruction in a clear manner.
- 2- Original copies of the destruction decision shall accompany the minutes along with all documents related to the goods.

- 3- The rapporteur of the Goods Destruction Committee shall deliver the minutes to the relevant department after all the committee members have signed the same.

Article (98)

If the remains of destruction can be used and recycled, whether partially or wholly, such as scrap iron, wooden wastes, and plastics, as per the discretion of the Goods Destruction Committee, the usable quantity shall be separated and inspected in the way decided by the Goods Destruction Committee in separate minutes to be enclosed with the destruction minutes. In this case, these minutes shall be considered as documents for bringing the goods for the first time into the Zone and new bailing application shall be prepared accordingly.

Chapter Twelve

Sale at Public Auction

Article (99)

The Director General shall issue a decision to form the Committee for Selling Goods at Public Auction at the public auction. The chair of the committee shall be one of the Zone staff whose grade is at least a department director. The members shall include another Zone employee and a representative of the Directorate General for Customs. The rapporteur of this committee shall be a Zone employee appointed by a decision from the Director General.

Article (100)

The Committee for Selling Goods at Public Auction shall:

- 1- Approve the sale of goods if the highest price submitted by bidders equals or exceeds the estimated value of the goods.
- 2- Postpone the sale once if the highest price submitted by bidders is less than the estimated value of the goods. The Committee may refer a recommendation to the Director General to approve sale if it is not possible to postpone the sale due to the conditions of the goods.
- 3- Approve the sale upon offering the goods at the public auction for the second time whether the highest bid is more or less than their estimated value.

Article (101)

Upon the recommendation of the relevant department, the Director General may issue a decision to sell the following goods at public auction:



- 1- The goods stored at the warehouses and yards of the Zone, which the charges due on them remain unpaid for more than six (6) months from the due date for payment thereof.
- 2- The goods stored at leased warehouses and yards whose lease contracts were revoked and have not been transported within six (6) months from the date of revocation.
- 3- The goods that endanger the adjacent stored goods or that have become detrimental to public health, environment or the storage facilities that contain them if not taken out of the Zone within a period calculated according to the degree of their danger. Their owner shall be informed of that in writing. If the these goods are not usable, they shall be destroyed according to the procedures stipulated in these controls.
- 4- The perishable goods if not taken out of the zone by their owner within a period calculated according to their perishability.
- 5- The goods whose owners are unknown and the remains of shipments. In this case, the sale price of these goods shall be recorded on the account of Zone revenues.

Article (102)

The goods shall be sold at public auction according to the following procedures:

- 1- The relevant department shall prepare statements of goods to be sold accompanied by a statement of the estimated value thereof, charges due to the Zone, reason for sale, and complete description of goods in terms of type, number, and quantity. The relevant department may seek the assistance of whoever it deems appropriate to evaluate the goods value. It then shall refer these statements to the Director General along with its justified recommendation to approve or disapprove the sale at public auction.
- 2- The sale of the goods shall be announced in one local newspapers provided the announcement include the sale venue and date along with a full description of goods offered for sale.
- 3- The sale session at the public auction shall be held at the venue and date set in the announcement in the presence of all members of the Committee for Selling Goods at Public Auction.

Article (103)

The procedures for goods sale at the public auction shall stop before holding the sale session if the owner of the goods announced for sale submits a proof that reason for sale ceases to exist. He shall bear all resulting expenses.

Article (104)

Upon the recommendation of the relevant department, the Director General may postpone the sale at public auction if the goods value is more than the dues of the Zone on the owner of goods and if there is no other reason for sale thereof under the provisions of these controls.

Article (105)

If the number of bidders is less than three (3), the sale price shall not be less than the estimated value of the goods. Bidding shall be acceptable only from the persons attending the auction session in person or their agents or representatives of legal persons.

Article (106)

The bidder awarded the auction shall:


- 1- Pay twenty percent (20%) of the auction awarded price upon awarding, the remaining amount and all administrative expenses in addition to three percent (3%) of that price against supervision of the sale process within ten (10) business days of the awarding date.
- 2- Take the goods out of the Zone within fifteen (15) business days from the date of payment of the remaining price and completion of customs procedures. Otherwise, daily storage charges shall accrue on the goods.

Article (107)

If the bidder awarded the auction does not pay the remaining price within the period stipulated in Article (106) of these controls, the goods shall be re-offered for sale at the public auction. He shall bear all the costs and dues that result from that and the difference between the new price and the previously awarded price.

Article (108)

The distribution of the proceeds of goods sale at public auction shall be as follows:

- 1- If the auction awarded price equals the dues of the Zone, these dues shall be collected according to the applicable financial procedures.
 - 2- If the auction awarded price exceeds the dues of the Zone, the surplus amount shall be recorded in its accounts in favor of the goods owner who shall be notified of that according to the applicable financial procedures.
 - 3- If the auction awarded price is less than the dues of the Zone, the owner shall be demanded to pay the difference that shall be collected according to the applicable procedures.
- 

Article (109)

The Zone shall not be liable for any damage that may result from the sale of goods at public auction or any rights or obligations of their owner or third parties because of the application of the provisions of these controls.

Article (110)

The Director General may approve the sale of goods at public auction in favor of the investor and the Zone shall collect from the investor requesting the sale all costs resulting from that, which shall not be less than five percent (5%) of the sale price in any case. The sale shall be according to the following procedures:

- 1- He shall submit a written application to the relevant department that indicates the type of goods requested to be sold at public auction, their specifications, and the minimum sale price he demands.
- 2- He shall submit an undertaking that the Zone is not liable for any damages or shortage in the goods because of the public auction sale.
- 3- He shall submit an undertaking that he shall deliver the goods to the bidder awarded the auction within fifteen (15) business days from the awarding date.
- 4- The public auction sale of goods shall be announced separately from the announcement of sale of goods for the purposes of collecting the charges from the defaulting investor.
- 5- The estimated value of goods to be sold at the public auction shall not be less than ten thousand (10000) Omani Rials.
- 6- The investor requesting the sale of goods at public auction shall pay any costs incurred by the Zone for the sale process.

Article (111)

The bidders shall inspect the goods before the sale session in the presence of all members of the Committee for Selling Goods at Public Auction. No bidder can later claim he did not know the goods offered for sale.

Article (112)

The public auction for the sale of goods shall be at the location of the goods unless the Director General decides to transfer the goods to another location provided this do not affect their safety.

Article (113)

The notices and sale decisions shall be served to the goods owners at the addresses registered with the Zone without any liability on the Zone in this regard. If it is not possible for the Zone to serve the notice

due to lack of precise address or the change of address without informing the Zone, the sale announcement shall as a notice for all the purposes of these controls.

Article (114)

- A- There shall not be no sale for the goods subject to lawsuits related to intellectual property rights, trademarks, or customs.
- B- Without prejudice to paragraph (A) above, no precautionary attachment on goods shall prevent any entity to proceed with their public auction sale. After the Zone receives its financial dues on the goods, the price difference shall be recorded in the trust account in favor of the attaching entity until the issuance of a final judgment in the case provided informing the attaching entity in writing of the same before commencing sale procedures.

Chapter Thirteen

Prohibited Activities and Acts

Article (115)

Prohibited shall be the following activities and acts inside the Zone:

- 1- Any action that hinders work in the Zone, threatens the security of facilities, investors, workers or dealers, or endangers their safety.
- 2- Practicing any unlicensed activity or an activity considered as illegal competition.
- 3- Any act that may interrupt computer devices or systems.
- 4- Practicing any activity before obtainment of the related license or an activity not contained in the said license.
- 5- Practicing any secondary activity not stipulated in the license.
- 6- Amending the details of the working company with any entity before the approval of the relevant department.
- 7- Possession or storage of goods that the Sultanate boycotts their countries of origin economically.
- 8- Possession or storage of narcotics of any type and their derivatives except for those authorized by the Ministry of Health.
- 9- Possession or storage of firearms, ammunition, and explosives of any type without license from the relevant authorities.
- 10- Possession or storage of inflammable materials without the approval of the relevant authorities or in violation of the conditions of such approval.
- 11- Possession or storage of radioactive materials or those that have radioactive activity without license from the relevant authorities or in violation of the conditions of such license.

- 12- Possession or storage of waste materials detrimental of the environment and materials unfit for human or animal consumption.
- 13- Possession or storage of corrupt, stinking, decadent, expired or environmentally detrimental goods.
- 14- Possession or storage of goods that have writings, drawings, inscriptions, signs or shapes that contradict the beliefs, instructions and concepts of the divine religions or violate public ethics and morals.
- 15- Possession of poisonous materials or those detrimental to public health.
- 16- Possession of counterfeit or imitation coins and banknotes.
- 17- Possession of inscribed and printed minting templates.
- 18- Possession, storage or manufacturing any goods or making any addition or amendment thereto or its packing in a way that violates beliefs or public morals in the Sultanate or the laws on the protection of commercial, intellectual, industrial, literary, and artistic rights applicable in the Sultanate.
- 19- Possession or storage of goods prohibited to enter the Sultanate.
- 20- Working company's storage of goods other than its own without the approval of the relevant department.
- 21- Ignition of fire in any way inside the warehouses or storage locations, including candles, gas, petroleum or its derivatives, alcohol, lighters, matches, or any inflammable materials even if for personal use.
- 22- Smoking in other than the designated locations.
- 23- Using of liquid or gaseous fuels in other than the authorized purposes.
- 24- Establishment of facilities for moving power or lighting in the stores or factories before completion of the related legally stipulated procedures.
- 25- Transporting goods from the Zone warehouses and yards to the leased locations and vice versa or among the working companies without the approval of the relevant department.
- 26- Consumption of goods inside the Zone in violation of the controls stipulated in this regard.
- 27- Workers'/employees' accommodation in the Zone in other than the designated locations in violation of the applicable controls.
- 28- Commencing construction works on industrial projects before obtainment of an environmental permit from the relevant authorities.
- 29- Using hazardous chemicals classified at the Ministry of Environment and Climate Affairs without submitting the scientific qualifications of the technical team supervising their use. Exceeding the quantities specified in the relevant permit is also prohibited.

- 30- Selling chemicals classified at the Ministry of Environment and Climate Affairs for other than licensed companies and corporations.
- 31- Storage of any chemical material without obtainment of a license from the Public Authority for Civil Defense and Ambulance.
- 32- Any other acts or activities stipulated in a decision by the relevant authorities.

Article (116)

The activities and acts stipulated in Article (115) of these controls may be amended whenever required pursuant to a decision by the Chairperson of the Free Zones Committee.

Article (117)

The Zone shall issue a list of the main and secondary activities allowed inside the Zone.

Chapter Fourteen

Cancellation of Licenses

Article (118)

Cancelled shall be the license in any of the following cases:

- 1- If the lease contract or investment agreement expires pursuant to the provisions contained therein.
- 1- If the working company sells all the facilities and technical fixtures it established on the leased plots unless it has another investment in the Zone.
- 2- If the working company does not commence construction works and prepares the site within nine (9) months from the date of issuing the construction license without any acceptable reasons.
- 3- If the working company does not practice of the activity stipulated in the license for six (6) months from the date of issuing the said license without any acceptable reasons.
- 4- If the working company does not practice of the activity stipulated in the license for one year without any acceptable reasons.
- 5- If the working company delays payment of the payable rent for six (6) months from their maturity date.
- 2- If the working company practices any activity in violation of the provisions of laws, regulations or controls applicable in the Zone.
- 3- If the accumulative points reach one hundred (100) as per the violations classification.



Article (119)

- A- The relevant department shall inform the working company of the decision to cancel the license at the last address recorded with the Zone.
- B- The working company may object to the decision of license cancellation in a grievance within (60) sixty days from the date of notification of the decision. There shall be a decision on the grievance within (30) thirty days from its date of submission. If this period lapses without a decision, this shall be a disapproval of the grievance.

Article (120)

- A- The working company shall evacuate the leased property and remove all buildings and facilities it established and any ruins or waste within six (6) months from the expiry of the lease contract or investment agreement or once informed of the license cancellation, whichever is earlier.
- B- Within fifteen (15) business days from receipt the license cancellation notice, the working company shall take the procedures to obtain a quittance certificate without prejudice to its liability towards third parties.

Article (121)

If the working company does not evacuate leased location of all contents within the period stipulated in these controls, the Committee Chairperson may order taking any of the following procedures:

- 1- Implement the evacuation at the expense of the working company and place the contents of the leased property under daily storage charge on its account at the warehouses or common yards. The Zone shall not be liable for any damage, loss, or shortage that may affect the contents because of the evacuation. Then he may decide proceeding with the procedures of selling these contents at public auction according to the provisions of sale at public auction stipulated in these controls.
- 2- Sell the contents in the leased property itself without transferring them to the warehouses and or common yards according to the provisions of sale at public auction stipulated in these controls.
- 3- Destroy the contents if their sale is not feasible according to the provisions of goods destruction stipulated in these controls.

Article (122)

If the working company does not remove the buildings and facilities it established within the period stipulated in these controls and the Zone does not express its desire to own them, the Director General may order taking any of the following procedures:

- 1- Sell the buildings and facilities at public auction according to the provisions of sale at public auction stipulated in these controls.

- 2- Remove the buildings and facilities if their sale is not possible and claim the resulting expenses from the working company.

Article (123)

- A- If the working company does not remove the ruins and wastes within the period stipulated in these controls, the Director General may order their removal without prejudice to the right of the Zone to claim all resulting costs from the working company.
- B- If the working company does not conduct the required maintenance works for any damages to the leased property within the period stipulated in these controls, the Director General may order conducting maintenance and claim all resulting costs from the working company.

Article (124)

- A- If the Zone expresses its desire to possess the buildings or facilities established on the leased property, it shall take the required procedures for their purchase according to the applicable controls and procedures.
- B- The Zone shall not purchase any buildings or facilities from the working companies after cancellation without obtainment of the approval of the board of directors of the Public Establishment for Industrial Estates (PEIE) in its capacity as the operating entity. This shall be without prejudice to the financial powers applicable in the Zone.
- C- Upon the recommendation of the relevant department, the Director General shall form a committee of specialists in the Zone to evaluate the buildings and facilities established on the leased property that the Zone desires to purchase. The recommendation shall indicate the benefits and revenues and a precise description of the condition of buildings and facilities. The committee may seek the assistance of experts for the purpose of the evaluation process if needed.
- D- The committee formed pursuant to paragraph (C) above shall inform the working company or its legal representative in writing of the estimated value of the facilities. If there is no objection to that estimated value within fifteen (15) business days, this value shall be acceptable, and the related procedures shall be completed.
- E- The Zone shall collect all its financial dues on the working company from the price of the contents of the leased property and the building or facilities built therein. If the price exceeds these dues, the remaining amount shall be recorded in the Zone accounts in favor of the investment as per each case. If the price is not enough to pay these dues, the Zone shall claim them according to the legal procedures adopted for collecting the financial rights of the Zone.

Article (125)

The cancellation of the license of the sub-leasee working company shall not result in any financial obligations on the leasing working company other than those stipulated in the sub-lease or the written undertaking of joint liability with the sub-tenant for any obligations toward the Zone and the related parties submitted to the Zone upon the conclusion of the sub-lease.

Article (126)

The cancellation of the license according to the provisions of these controls shall not prejudice the obligations of the operating company toward third parties. It shall submit an undertaking of these obligations and its full liability. The Zone shall respect the rights of any third party that may have contracts with the working company within the Zone related to the facilities, buildings or plots leased to it.

Article (127)

There shall not be any termination of the lease contract or investment agreement or cancellation of the license upon the request of the working company until it settles all legal and financial obligations toward third parties and delivers the leased property in the condition at which the operating company had received it.

Article (128)

Upon the cancellation of any license, the Zone shall inform the working company and all relevant authorities. The working company shall take all the required procedures to cancel the work residence of its expatriate workers previously granted work residences under its sponsorship and repatriate them from the Sultanate as per the applicable laws.

Article (129)

The Zone shall not grant the working company the quittance certificate unless after ensuring the following:

- 1- Removal of all contents from the leased property.
- 2- Removal of all buildings and facilities it established and any waste or ruins.
- 3- Handover of the leased property at the condition at which it received the same.
- 4- Liquidation and dissolution of the working company according to the Commercial Companies Law and applicable regulations and controls unless it has another investment in the Zone.
- 5- Settlement of all rights and obligations due to the Zone.
- 6- Taking the procedures for cancelling the residence of expatriate workers previously granted work residences under its sponsorship and repatriate them from the Sultanate as per the applicable laws.

Article (130)

The provisions of this Chapter shall apply to the licenses of the sub-leasee working companies without exceeding their rights and obligations in the contract concluded with the leasing working company.

Chapter Fifteen

Classification of Violations

Article (131)

The violations to the provisions of these controls and laws and any other controls or instructions applicable in the Zone are classified as follows:

A- Group One: it includes the following violations:

- 1- Utilization of areas outside the leased area without permission.
- 2- Fixing a kiosk, counter or commercial booth outside the buildings of the working company without a prior permit from the Zone.
- 3- Absence of a sign with the commercial name of the project.
- 4- Non-conformity between the commercial name on the sign and that in the license.
- 5- Lack of maintenance of the sign or damage thereof.
- 6- Lack of the required safety conditions in the sign.
- 7- Placement of inappropriate drawings or photos on the products and signs.
- 8- Non-compliance with the conditions of the sign location.
- 9- Printing or distributing pamphlets without permission from the Zone.
- 10- Hanging clothes in other than the designated locations.
- 11- Washing vehicles and machinery at other than the designated locations.
- 12- Throwing wastes at other than the designated locations.
- 13- Delayed payment of the invoices due to the Zone.
- 14- Storage of goods not mentioned in the submitted insurance policy if the policy covers specific goods.
- 15- Storage of goods for others in case of providing an insurance policy that covers only its goods and not the goods stored with it, but owned by third parties.
- 16- Disposal or collection of solid or liquid waste in other than the designated locations.
- 17- Possession of prohibited drugs under the laws applicable in the Sultanate.
- 18- Not reporting workers' quarrel that leads to injury or disability.
- 19- Moving or removing the machinery or any other materials, including the vehicles that cause a particular incident before the arrival of the relevant authorities.

- 20- Parking cars, heavy vehicles or containers inappropriately in other than the designated locations inside the Zone.
- 21- Obstruction of movement or blocking of streets or workplaces by vehicles or machinery.
- 22- Loading passenger conveyances with more than their capacity mentioned in the license.
- 23- Non-notification of all workers' details within one week from their joining work.
- 24- Non-submission of an application to issue an entry permit for workers after one week from joining work.
- 25- Allowing workers to work for another company.
- 26- Non-provision of the public safety conditions in the buildings.
- 27- Storage of foods in the office buildings, including those annexed to the warehouses.
- 28- Non-designation of a location to prepare and preserve foods separate from the accommodation rooms.
- 29- Non-provision of appropriate sanitary facilities for each apartment at workers' accommodation.
- 30- Non-provision of air conditioners and cooling means appropriate to the climate conditions inside the buildings.
- 31- Exceeding the capacity of workers' accommodation.
- 32- Construction of temporary residential compounds without the approval of the department concerned with projects in the Zone.
- 33- Lack of public safety conditions in the temporary accommodation compounds.
- 34- Lack of appropriate health environment in the buildings according to the standards applicable in the Sultanate.
- 35- Construction of temporary residential compounds on unleased plots.
- 36- Non-provision of a quick means of communication in the location of the temporary residential compounds.
- 37- Non-provision of an appropriate conveyance in the location of the temporary residential compounds.
- 38- Sleeping of other than the workers in the Zone or individuals unauthorized to enter the Zone in the workers' accommodation.
- 39- Not allowing the relevant officers to conduct the periodical inspection of the residential compounds.
- 40- Allowing men and women to mingle in the residential buildings.
- 41- Not appointing one or more supervisors for every buildings where resident workers exceed (50) fifty.
- 42- Allowing workers to sleep at other than their designated building.

- 43- Leasing the accommodation to a third party without the approval of the relevant department.
- 44- Sharing the buildings or leased plots to third parties inside the Zone without taking the sub-leasing procedures.
- 45- Leasing by the working companies – in case of their residential buildings – of the buildings either wholly or partially to other working companies to accommodate the workers of the latter without the approval of the relevant department and without adding the activity of real-estate investment to the license of practicing investment activity in the Zone.
- 46- Not updating the data on workers' accommodation.
- 47- Conducting prohibited acts inside the workers' accommodation in the Zone and not taking legal measures against the violators.
- 48- Taking any goods or materials of commercial value outside the Zone inside private vehicles.
- 49- Loading goods conveyances with more than their licensed capacity.
- 50- Practicing the activity of land transportation by foreign conveyances inside the Zone, from the Zone to the customs territory of the Sultanate, or between two points inside the Sultanate without obtainment of a prior permit.
- 51- Loading foreign conveyances on their return journey to other than the country of their registration from inside the Zone without a prior permit.
- 52- Carrying unauthorized individuals to enter the Zone by public conveyances.
- 53- Preventing the staff of the Zone or any of the relevant authorities from performing their job duties.
- 54- Unauthorized use of containers or mobile rooms.
- 55- Refusal to receive the warning or violation notice.
- 56- Non-rectification of the violation during the period set in the violation notice.
- 57- Working at other than official working hours set according to the laws, regulations, systems and controls applicable in the Zone.
- 58- Non-compliance with the environmental conditions issued for the project.
- 59- Addition of any activities without obtaining the required environmental approvals.
- 60- Lack of chemical material safety data sheets (MSDS) in the facility.
- 61- Lack of labels on each chemical material that indicates its common name, chemical structure and degree of hazard.
- 62- Not informing the relevant authorities of the emergencies once they take place.

B- Group Two: it includes the following violations:

- 1- Commencing constructions before obtainment of the required permits.
- 2- Starting work before building a fence around the allocated plot.



- 3- Possession of a commodity with unknown origin or not accompanied by the documents that indicate its source.
- 4- Using external sidewalks, pavements or street to store project materials.
- 5- Manufacturing, displaying, or selling covering materials used in counterfeiting goods or industrial products.
- 6- Implementation of construction and installation works in violation of the approved specifications and drawings.
- 7- Placing a false commercial statement on the goods, shops or covers.
- 8- Use or possession of weight or measurement devices or tools that are fake, inaccurate or illegally sealed.
- 9- Changing weight or measurement devices or tools in a way that would make them inaccurate.
- 10- Stamping metal products with false seals, selling them or other items, displaying, or possessing them for trading.
- 11- Refusal to sign the report of seizure or attachment of confiscated goods or sampling.
- 12- Storage of goods it owns or owned by other working companies or bailors not included in the insurance policy it submitted.
- 13- Non-extension of the insurance policy at least ten (10) business days before its expiry though the reason of its submission still exists.
- 14- Non-renewal of license within (30) thirty days of its expiry date.
- 15- Non-submission or renewal of the insurance policy on its workers that covers any damages or risks that may result from the nature of their work.
- 16- Not increasing the value of the insurance policy if the value of the incoming or stored goods in the Zone exceeds the value of the policy submitted for these goods.
- 17- Not keeping the general goods register or the special register of the destroyed materials.
- 18- Not keeping a special register for manufacturing equations by the working company licensed to practice industrial activity.
- 19- Lack of conformity between the details in the registers of the working company and those documented in the Zone registers.
- 20- Not conforming the registers of the working company to those at the relevant department once a year.
- 21- Not keeping the special registers by the working company for the period stipulated in these controls.
- 22- Loss or destruction of goods registers and entries.
- 23- Not keeping the goods documents taken out of the Zone for the period stipulated in these controls.

C- Group Three: it includes the following violations:

- 1- Making changes in the leased buildings without a written approval from the relevant department.
- 2- Removing quantities of sand or rocks of the Zone for filling purposes without a written approval from the relevant department.
- 3- Inappropriate closure of the doors and windows of buildings or fire exits of warehouses, plants, workshops, etc.
- 4- Breaching the laws and regulations related to health and public hygiene in the restaurants and cafes, including the kitchens in workers' accommodations.
- 5- Causing unhealthy conditions inside or around the buildings in the Zone.
- 6- Lack or expiry of professional health card.
- 7- Making any practice that contravenes the provisions of the controls and rules regulating work in the one and not included in this classification.
- 8- Commencing the project before obtainment of the environmental permit for the project.

D- Group Four: it includes the following violations:

- 1- Practicing an activity not included in the license.
- 2- Placing or spilling non-hazardous materials on the roads or outside the boundaries of the plot allocated to the working company.
- 3- Misuse of firefighting equipment (such as for cleaning or washing etc.)
- 4- Lack of firefighting equipment.
- 5- Inefficiency of firefighting equipment.
- 6- Non-maintenance of firefighting equipment appropriately and periodically.
- 7- Inappropriateness of firefighting equipment.
- 8- Negligence in providing the conditions and requirements of public safety.
- 9- Occurrence of a minor fire because of negligence in providing the conditions and requirements of public safety.
- 10- Overload on the electrical connections or devices.
- 11- Occurrence of minor fire because of overload on the electrical connections, devices etc.
- 12- Occurrence of a work-related injury because of lack or insufficiency of the requirements of occupational safety.
- 13- Not obligating the workers to abide by the requirements of occupational safety during the performance of work.
- 14- Lack of an emergency plan for the facility and training the workers therein on it.



E- Group Five: it includes the following violations:

- 1- Commencing operations in the Zone before submitting an insurance policy that covers the plants, machinery and equipment used in the operating and production processes if the working company rents the buildings and warehouses.
- 2- Storing hazardous materials not covered by the license or disposal of or transporting them without taking the preventive measures set by the Zone.
- 3- Commencing operations in the Zone before obtainment of the construction completion certificate.
- 4- Bribing any of the Zone staff or exploiting them for personal purposes in favor of the working companies or individuals.
- 5- Allocating a part of the buildings or plots allocated for the establishment of investment projects for the construction of a permanent accommodation.
- 6- Provision of fake or false documents that do not reflect reality.
- 7- Storing or disposing of hazardous waste without obtainment of licenses from the Ministry of Environment and Climate Affairs.

F- Group Six: it includes the following violations:

- 1- Opening the project location that has been closed or whose license has been cancelled.
- 2- Disposal of attached goods.
- 3- Damaging the registers, entries and documents related to the goods by the working company without the approval of the relevant department.
- 4- Closing the entrances into or exits from the Zone in such a manner that threatens public safety.
- 5- Placing or spilling non-hazardous materials on the roads or outside the boundaries of the locations allocated to the working company.
- 6- Occurrence of a major fire because of negligence in providing the conditions and requirements of public safety.
- 7- Occurrence of a major fire because of overload on the electrical connections, devices, etc.
- 8- Expanding the project without a prior license from the relevant authorities.

Article (132)

Points shall be calculated for every violation of the provisions of the Regulations, laws or controls applicable in the Zone as shown in the following table:

Sr.	Group	Number of Points per Violation		
		First Time	Second Time	Third and More
1	One	1	2	3
2	Two	2	4	6
3	Three	5	7	10
4	Four	7	10	15
5	Five	10	15	25
6	Six	25	35	50

Article (133)

The accumulative points mentioned in the previous Article shall be deleted after the lapse of the periods indicated in the table below. These periods shall start from the date of discovering the violation:

Sr.	Group	Period for Deletion of Violation (in month)		
		First Time	Second Time	Third and More
1	One	3	6	9
2	Two	3	6	9
3	Three	4	8	12
4	Four	4	8	12
5	Five	6	12	18
6	Six	12	18	24

Article (134)

Without prejudice to any harsher penalty, the Zone shall take the following procedures:

- 1- First written warning when the accumulative points reach ten (10).
- 2- Second written warning when the accumulative points reach twenty-five (25).

- 3- Increase licensing charges by fifty percent (50%) when the accumulative points reach thirty-five (35). The increase shall be upon the first renewal of the license.
- 4- Increase licensing charges by one hundred percent (100%) when the accumulative points reach (50) fifty. The increase shall be upon the first renewal of the license.
- 5- Increase plot rent charges by twenty-five percent (25%) and licensing charges by one hundred percent (100%) when the accumulative points reach (75) seventy-five. The increase shall be upon the first renewal of license and maturity of annual rent.
- 6- Revoke the lease contract or investment agreement and withdraw the license when the accumulative points reach one hundred (100).

In all cases, the increase in charges shall not be less than one hundred (100) Omani Rials and not more than five thousand (5000) Omani Rials.

END OF THE ENGLISH VERSION

LEGAL LEGISLATION GUIDE

Public Establishment For
Industrial Estates