



عمارة تجارة وصناعة عمان  
Oman Chamber of Commerce and Industry

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# LAW OF REGULATING THE PROFESSION OF AUDITING & ACCOUNTING



**LAW OF REGULATING THE  
PROFESSION OF AUDITING  
& ACCOUNTING**

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OF AUDITING & ACCOUNTING  
Royal Decree No. 77/86**

We, Qaboos Bin Said, The Sultan of Oman.

After perusal the Royal Decree No. 26/75 by issuing the law of organizing the administrative system of the country and its amendments.

An the law of commercial companies No. 4174 and amendments thereto, and

And the Law of insurance companies issued pursue to the Royal Decree No. 12/79 and its amendments.

In accordance with the exigencies of public good

We have decreed as follows:

**PREFACE**

**Subject No. 1:**

The provisions of regulating the occupation of auditing & accounting shall be applicable.

**Subject No. 2:**

The Minister of Commerce & Industry shall issue the necessary decrees for the best application of this law.

**Subject No. 3:**

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

**Qaboos bin Said  
Sultan of Oman**

## FIRST CHAPTER

### THE REGISTRY AND THE CONDITIONS OF EXERCISING THE PROFESSION

#### Subject No. 1:

It is not allowed to practice the profession of Auditing & Accounting in the Sultanate unless getting the license for that from the Ministry Commerce & Industry according to the terms and conditions mentioned on this law.

#### Subject No. 2:

A special registry shall be prepared for the accountants and auditors (Accounts observers) at the department of occupation and crafts at the department of corporate affairs at the Ministry of Commerce & Industry and the registry includes the following lists:

1. List of accountants under training.
2. List of accountants and auditors (accounts watchers)
3. List of unemployed accountants.

And the employed accountant who wants to retire from the service must inform the Ministry in thirty days at least in order to shift his name to the List of the unemployed, and he would have the right to get his name registered again at the List of employed accountant whenever he desires to exercise the accounting occupation again.

#### Subject No. 3:

The following is stipulated on who is registered at the indicated list:

1. To be an Omani citizen and dedicated for the exercise of this profession.
2. Holding an academic qualification on the speciality of accounting or on a chartered accountant certificate who is accredited internationally or what is equal to it.
3. Shall have the civil eligibility.
4. Having a reputation of well conduct and behaviour.
5. He shall not be convicted of any criminal or judicial charges and not have being under a discipline of a crime or a breach of faith and / or honor unless the charge was cleared.

#### Subject No. 4:

All those who are employed for the first time shall be registered on the List of

the under training accountants and he will not be allowed to open his own accounting office for accounting and auditing unless he is registered at the List of accountants and auditors (accounts observers).

### **Subject No. 5:**

It is stipulated to shift the student from the accountants under training to the List of (accounts observers) accountants and auditors to complete two years of service at least without any interruptions or suspension to the exercise of auditing and accounting.

And the training period is proved by presenting a certificate or the reviser under whom the student had spent his training period or the side which was revising that.

And the accountant will not be authorized to audit the accounts of the joints companies, banks account and general establishments unless he had exercised this profession for a period that is not less than five years since he got the license and he should be holding the qualification mentioned on the clause (B) of the seventh subject.

### **Subject No. 6:**

All periods the accountant spent working as an accountant or an assistant accountant or a head accountant on any of the registered companies or in exercising the profession of accounting on his private office before working under this law or at an office of one of the accountants or auditors licensed to exercise this profession on other countries or at any other work that is similar to this profession.

### **Subject No. 7:**

The following shall be exempted from being under training and should be registered directly at the List of accountants and auditors (Accounts observers):

- A. All who had proved that he had fulfilled all the training terms and other stipulated terms.
- B. Holders of chartered accountant certificate or what is equal to it.

### **Subject No. 8:**

It is allowed to Omani accountants and auditors to establish between them accounting companies or auditing companies in case they fulfilled the stipulated terms on the List of auditors and accountants (accounts observers) and these companies shall be registered at the List No. (2) from the second subject and on this case the partners will not be allowed to practice the mission solely.

And the company shall bear any of the commercial status except joint venture and general associated companies and its association contract must include the type of the company, address and its activity and its headquarter, the country of each partner, the capital of the company, its fiscal year and the way of managing it.

And it will be subject to the terms of commercial companies unless a special rule was issued for in a way that doesn't contradict with nature of this company.

### **Subject No. 9:**

It is not allowed to accept the registration of accounting & auditing offices and companies on List No. (2) from the second subject nor exercising the work of auditing the accounts in the Sultanate of Oman unless through a company that is formed in partnership with an Omani partner according to the following conditions:

1. The Omani Partner should be authorized to exercise the profession and register at the 2nd list from the second subject.
2. The Omani partner shall contribute with 35% at least from the capital.
3. The foreign company should have being exercised the profession without any suspension for ten years at least before the authorization.
4. The Manager of the office or the company must have an experience that is not less than 10 years after getting the academic qualification at least or six years after getting the master in accounting or three years after getting the PhD in accounting and he must hold a chartered accountant certificate and he must hold a membership on one of the accounting societies which are recognized internationally, but incase the manager of the company or the office was Omani then covering the conditions mentioned on subject No. (3,5) from this law.
5. The expatriate accountants and auditors who are working on accounting offices for a period that is not less than five years from the date on which they got their academic qualification.
6. This company is considered under the rules of two clauses from the Eighth subject and it won't be subject to the law of the foreign capital law.

### **Subject No. 10:**

The application of being registered at one of the indicated lists on subject No. 2 into the profession and crafts department at the department of corporate affairs at the Ministry of Commerce & Industry and according to the made module for this purpose.

And the required documents shall be attached to this application, and the indicated requirements shall be listed at a special registry with sequential numbers and the student shall be given an invoice of the date of getting the application.

**Subject No. 11:**

A committee of registry shall be formed by a decision of the Minister of Commerce & Industry:

And the decision must specify the number of members and the way of forming it, and the required majority which is required to issue its decisions and other required measures necessary to form it.

This committee will be responsible inspecting applications of registries by setting the accounting fundamentals that has to be applied while preparing the budgets and the final accounts and the attached details, and continuing the execution of the accounting offices in conditions of issuing the accounting fundamentals by the decision of the Ministry of Commerce & Industry.

**Subject No. 12:**

The License applications of exercising the profession shall be submitted to the indicated committee at the previous subject and the committee will decide to register it after full inspection and confirming that the required terms are fulfilled by the registering applicant and the registration will be valid for three years for the renewal.

But incase the committee had decided to reject the application then it should give a convincing reason.

And the committee must decide on the application in a period that doesn't exceed three months since the application was given and notify the applicant once the decision is issued on a registered.

And in case the mentioned period had passed without getting the license then the application will be considered as rejected.

**Subject No. 13:**

Any applicant gets rejected has the right to complain against the rejecting decision to the Minister of Commerce & Industry in thirty days since the date on which he was notified, but in case this period had passed or in case his complaint was rejected incase his application was rejected due to bad reputation or being convicted by a crime or a breach of faith - then he shall not present another application unless two years are passed since the date of rejecting his application, in condition of proving his well conduct and behaviour during all of this period,

but in case the application was rejected for not fulfilling the another term then the applicant will have to apply once again for registering his application once the conditions are fulfilled.

### **Subject No. 14:**

Once the application of the applicant and he is being registered he must submit the followings:

1. The serial number of the registry and its date.
2. Name, age and its date.
3. Address and place of residence.
4. Qualifications he holds.
5. Accounting societies he belongs to, if available.

That regarding offices and companies the certificate must show the following:

1. The serial number of the registry and its date.
2. Name of the company, or Office and its country.
3. Address in the Sultanate.

## **SECOND CHAPTER RIGHTS & PRIVILEGES**

### **Subject No. 15:**

Those who are registered on the registry of accountants and auditors shall not work at any other profession that contradicts with their profession and these contradicting professions are specified by the Minister of Commerce & Industry due to the suggestion of the registration committee.

### **Subject No. 16:**

Anyone who gets the license of exercising the profession - of natural persons - before exercising his works should give the oath in front of the Minister of Commerce & Industry or who represents him as following (I swear by the almighty Allah to do all my works in full faith and sincerity and keep all secrets of these works and to respect the laws and traditions of the country) and upon this oath a minute should be written and signed by the one who had taken the oath.



But regarding foreign offices and companies the representative of the office or the company must sign an undertaking that includes his commitment that the office or the company will do all its works in full faith and sincerity and keep all secrets of these works and to respect the rules of the country and its traditions.

### **Subject No. 17:**

And the accountant and the auditor will not be allowed to audit any companies business on the following cases:

- A. In case he was a partner of the company that he audits its accounts or a member of its administration board or doing any administrative works on it or owning the minimum number of shares that is specified by the regulations.
- B. In case he was a relative from the first degree to the one who manages the company or its accounts, and they are forbidden from doing the following:
  - A. Revealing the secrets of his business or allowing anybody to inspect except those who are qualified by the law.
  - B. Buying the shares of the company which are revising the accounts or selling them during the auditing period.

### **Subject No. 18:**

The accountants observers of the contributing companies and the limited liability companies has the right of inspecting all booklets of the company, its registries, documents and getting all information which are considered necessary to the best execution of their tasks and they have to put down a report for the plenary session showing whether the budget and the profits and losses accounts were reflecting the financial status of the company according to the real accounting assets or not. And informing the plenum at the report of any violations they discover.

### **Subject No. 19:**

The subject was replaced pursue to Royal Decree no. 53 of 96 the accountant and the auditor must mention their names with their registration number on all their correspondence, certificates budgets and reports they sign, and the accounts auditor who is the owner of the office to sign personally on the reports of auditing issued from the office and in-case of accounting and auditing companies one of the partners who are fulfilling the terms of the article no. 4 from the ninth subject shall sign on it. and no one can sign on his behalf unless he fulfilled the stipulated terms by law.

**Subject No. 20:**

Anyone who gets his name registered on the accountants and auditors registry shall inform the department of professions and crafts and the corporate affairs at the Ministry of Commerce & Industry with his address in thirty days since the date of registry and in any changes of address in fifteen days since the date of changing the address.

**Subject No. 21:**

In compliance with the regulations mentioned in the law of corporate, the law of insurance companies, law of banking, the accountant shall commit to revise the accounts of the companies, individuals authorities in accordance to what is stipulated by the regulating clauses of the law of accounting principles and must prepare data, budgets and the present the technical reports with the results of his mission.

And the accounts observers will be held responsible in front of the company and the contributors against any prejudices caused in return of cheating they commit while doing their missions or for not doing their work in a way that is considered as fulfilling according to the law.

**Subject No. 22:**

Whenever the agency is expired the accountant shall return back all documents in case the principle asker for them, and incase he desire to retire from the work he shall notify his principle with that, and all continue on his work in an accepted period not prejudice his principle from this retirement.

However the accountants observer must keep all audited files for the following ten years from the fiscal year on which the auditing had taken place.

## THIRD CHAPTER DISCIPLINING

**Subject No. 23:**

The general manger of the directorate of commerce will have the right upon any given complaint to him or any breach committed by the licensed to any stipulated terms on this law to make an investigation with the licensed, whom the violation of any of the profession rules or accounting fundamentals was attributed to or losing a term that is mentioned on the registry or found to be missing it before even being registered, and then referring this matter to a committee that is formed

at the ministry to go after this violations and define the necessary disciplinary actions according to the regulations of this law and that is without any breach to any measurements or disciplinary actions stipulated by others laws.

### **Subject No. 24:**

The indicated committee is formed according to the previous subject by three members headed by the Undersecretary of the Ministry of Commerce & Industry and the membership of two accountants appointed by a decision from the Minister of Commerce & Industry for two years that can be renewed.

### **Subject No. 25:**

The committee will settle any violations referred to it after notifying the accused to come in front of it before the time specified for assembling it and that is on a book that is registered on the mentioned violations and the date of its assembly and its place.

And the violator will have the right of pleading verbally or in written or through an advocate or any colleague that represents him, but in-case the violator didn't come on the date specified for his judgment then he should pronounced absent.

### **Subject No. 26:**

The committee might decide to punish the violator with one of the following disciplinary actions:

- A. Warning
- B. Suspending him from working for a period that doesn't exceed two years.
- C. Canceling his name from the registry.

### **Subject No. 27:**

The subject was replaced pursue to Royal Decree no. 53 of 96:

- A. Any one that is found to be charged on one of the mentioned disciplinary actions will have the right to complain against the decision of the committee by serving an application to the Minister of Commerce & Industry in fifteen days since the date of the decision in case it was issued on his presence or since date of informing him with a registered book issued on his absence.

In this case the application of the decision which was complained of should be suspended till its reconsidered for the last time by the Minister of Commerce & Industry who might cancel or commute the punishment.

The complaint will be considered as rejected in case of that (60) days had passed since the complaint is given.

- B. The one who gets his name cancelled from the registry will have the right according to the regulations of this law to ask for registering him back after five years since the date of cancelling his name is issued and the stipulated procedures and measures should take place.

## FOURTH CHAPTER MISCELLANEOUS RULES

### **Subject No. 28:**

The citizens of the GCC countries will be subject to the regulations and terms stipulated on Omani Citizens.

### **Subject No. 29:**

The subject was replaced pursuant to Royal Decree no. 35 of 2001.

The license of exercising the profession will be considered as valid for five years since the date of being registered on the registry. A condition of renewing the registry each five years from the date of registration or previous renewal and the application of renewal will be given on the form which is performed by the Ministry of Commerce & Industry for this purpose (or a period of two months at least).

### **Subject No. 30:**

The accountants are obligated to apply all international accounting standards, which are approved by the unified International Accounting Committee whenever budgets and final accounts are prepared and that is till the Ministry of Commerce & Industry decides a rule to be applied while preparing final budgets and accounts, etc.

### **Subject No. 31:**

The required fees for being listed on the registry and renewing it, and the fees of getting the listed data on it are decided by the Minister of Commerce & Industry after getting the approval of the Ministry of Finance.