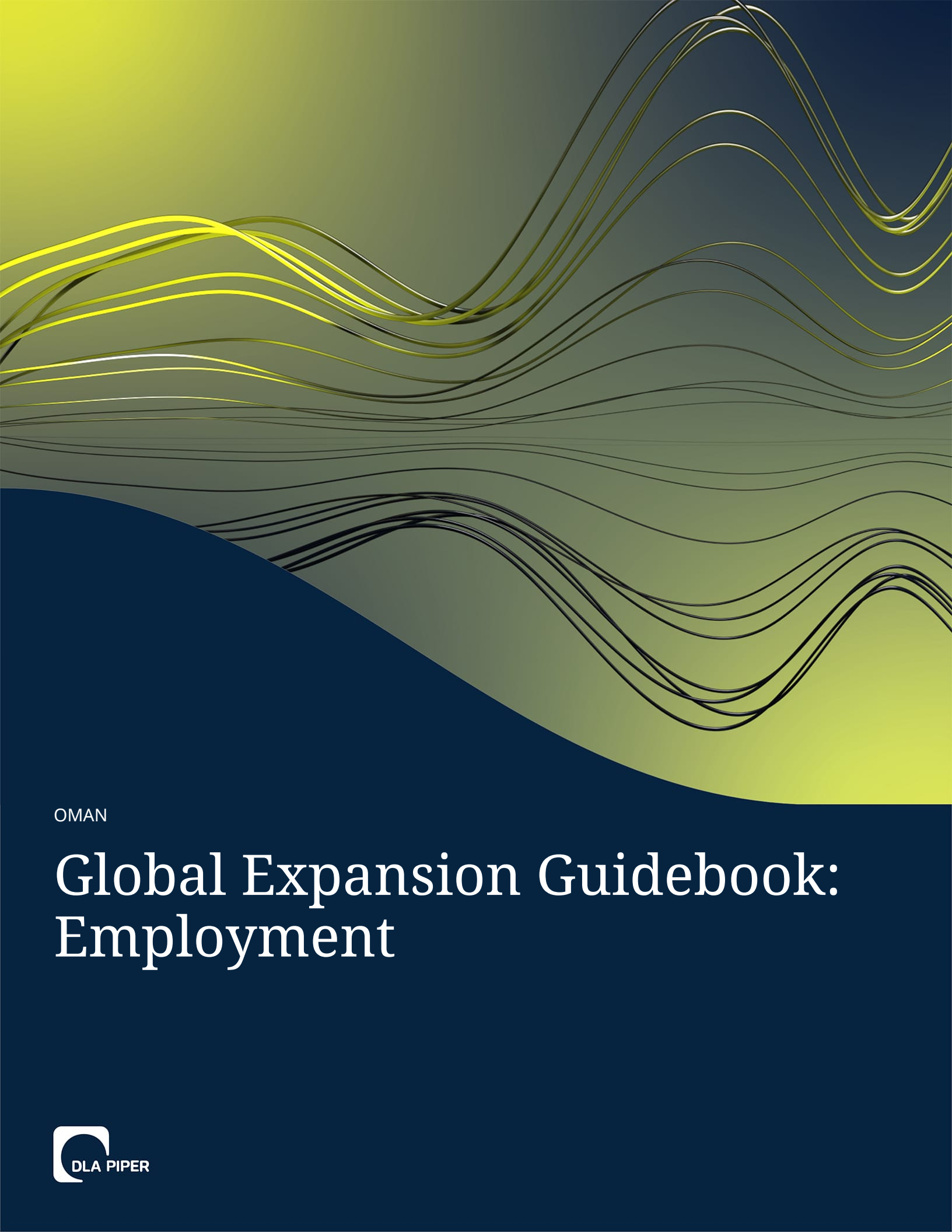




OMAN

# Global Expansion Guidebook: Employment

# Introduction



Welcome to the 2026 edition of DLA Piper's *Global Expansion Guidebook – Employment*.

Many companies today aim to scale their businesses globally and into multiple countries simultaneously. In order to help clients meet this challenge, we have created a handy set of global guides that cover the basics that companies need to know. The *Global Expansion Guidebook* series reviews business-relevant corporate, employment, equity compensation, intellectual property and technology, and tax laws in key jurisdictions around the world.

## Employment

As business grows more global, the challenge for in-house counsel and HR professionals responsible for workforce issues and employment law compliance is intensifying. This guide is designed to meet that challenge head on and has been produced in response to feedback from clients in both established and emerging international businesses. We hope it will become an invaluable resource for you.

This 2026 edition of our popular guide covers all of the employment and labor law basics in 63 key jurisdictions across the Americas, Asia Pacific, Europe, the Middle East and Africa. From corporate presence and payroll set-up requirements, language rules, minimum employment rights, business transfer rules, through to termination and post-termination restraints, we cover the whole employment life span.

We have used our global experience and local knowledge to bring you this newest edition of our guide. With over 300 lawyers, DLA Piper's global Employment group is one of the largest in the world, with one of the widest geographical footprints of any global law firm. We partner with our clients, wherever they do business, to find solutions and manage risk in relation to their legal challenges and objectives.

While this guide provides high-level guidance, it is not a substitute for legal advice, and we encourage you to take advice in relation to specific matters. If you wish to speak to any of our contributors, their contact details are set out towards the back.

We hope that you find this guide valuable and we welcome your feedback.



This publication is provided to you as a courtesy, and it does not establish a client relationship between DLA Piper and you, or any other person or entity that receives it.

This is a general reference document and should not be relied upon as legal advice. The application and effect of any law or regulation upon a particular situation can vary depending upon the specific facts and circumstances, and so you should consult with a lawyer regarding the impact of any of these regimes in any particular instance.

DLA Piper and any contributing law firms accept no liability for errors or omissions appearing in this publication and, in addition, DLA Piper accepts no liability at all for the content provided by the other contributing law firms. Please note that employment law is dynamic, and the legal regime in the countries surveyed could change.

## Global key contact



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# Oman

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## Legal system, currency, language

Civil legal system; employment matters are governed by the Oman Labor Law issued by Royal Decree 53/2023 (Labor Law), as amended. There are also relevant provisions in the Penal Code and Civil Code. The official currency is the Omani Rial (OMR). The official language is Arabic.

## Corporate presence requirements & payroll set-up

There are 3 main legal structures available to companies that wish to establish a presence in Oman: a sole proprietorship, a corporate entity or through a commercial agent. It is not possible to employ staff in Oman without an established entity.

## Pre-hire checks

### Required

Foreign employees must receive prior approval from the Ministry of Labor and immigration authorities before they can be hired on local employment contracts. The level of background checking and screening carried out by the authorities varies according to the nationality of the individual.

### Permissible

Generally, employers in Oman may not obtain the same level of information from background checks as they can in other jurisdictions, and in most cases, the employees themselves will be required to provide this information.

## Immigration

In order to legally work and reside in Oman, all employees (except GCC and Omani nationals) are required to have a work permit and residence visa under the sponsorship of their employer, which must have an entity established in Oman. Employees may sponsor relatives, but this only provides them with the right to reside

in Oman, not to work. If the relative would like to work in Oman, they require their own work permit.

In relation to GCC nationals, there is no need for a work permit or residence visa. The employment contract is sufficient.

## Hiring options

### Employee

Unlimited, fixed-term, or project-linked employment contracts. If the parties to a fixed-term or project-linked contract continue to honor the contractual obligations following its expiry, it is renewed automatically for an unlimited period on the same terms and conditions.

Part-time employment is permitted but is less common and applies only to Omani nationals.

### Independent contractor

There is a limited concept of a consultant; individuals may not provide consultancy services unless they have established their own professional license and business due to the requirement that workers are prohibited from carrying out work for a company that is not their sponsor.

### Agency worker

There is no general concept of an agency worker or "temp" in Oman. Some Omani-owned employment agencies are licensed to provide manpower on a temporary basis, and these individuals remain under their sponsorship.

### Seconded

Non-Omani workers can be seconded if: they make up less than 50 percent of the workforce, the period is under 6 months, it's in the private sector, the worker agrees, the job matches their profession, the job isn't Omanized, Omanization rates are followed, and it's registered with the Ministry of Labor..

## Employment contracts & policies

### Employment contracts

All employees are required to sign a government employment contract, but the expatriate employee must do this in order to obtain their work permit and residence visa. This contract must be in English and Arabic.

### Probationary periods

Permissible in writing. Maximum duration of 3 months.

### Policies

Employers with more than 50 employees are required to have internal regulations which must be pre-approved by the Ministry of Labor. These regulations cover, for example, working hours, leave and termination. Further, employees should be provided with any handbook and the employer's policies on commencement of employment.

#### 3rd-party approval

The government employment contract must be lodged with the Ministry of Labor or relevant free zone authority to obtain the expatriate employee's work permit and residence visa. Notice of any contractual changes should be provided to the Ministry of Labor and amended on the filed standard employment contract copy.

### Language requirements

Pursuant to the Labor Law, all employment contracts and records must be in Arabic. Where a foreign language is used in addition to Arabic, the Arabic version will prevail.

### Working time, time off work & minimum wage

#### Employees entitled to minimum employment rights

All. Additional rights are also available to young workers (*ie*, those under the age of 18) and women.

#### Working hours

The Labor Law currently guarantees workers 2 days off per week. To achieve this, the maximum number of the actual working hours was reduced from 45 hours per week to 40 per week, spread over 5 days. In addition, the rest period increased to a minimum of 1 hour instead of 30 minutes in the previous law.

During Ramadan, the maximum number of working hours per week for Muslim employees is 30, spread over a 5-day working week.

#### Overtime

8-hour maximum working day. As no more than 12 hours in total may be worked on a particular day, this means that overtime is capped at 4 hours per day.

An employee who works overtime is entitled to basic salary per hour plus:

- 25 percent for extra hours worked during the working day and
- 50 percent for extra hours at night or time off equal to the amount of overtime worked.

#### Wages

The minimum-wage provisions apply only to Omani workers and are regulated by ministerial decisions.

### **Vacation**

30 days' annual leave fully paid after completion of 6 months' service.

### **Sick leave & pay**

Employees are entitled to 182 calendar days' sick leave per year of service.

The sick leave entitlements are as follows:

- From day 1 to day 21: Employees are eligible for 100 percent of their gross salary.
- From day 22 to day 35: Employees are eligible for 75 percent of their gross salary.
- From day 36 to day 70: Employees are eligible for 50 percent of their gross salary.
- From day 71 to day 182: Employees are eligible for 35 percent of their gross salary.

Termination during sick leave is not permitted.

### **Maternity leave**

Female employees are entitled to 98 calendar days' maternity leave at full pay.

There is no concept of parental leave or pay in Oman.

### **Special leave**

Special leave will be granted to all employees in the following circumstances:

- a) Up to 15 days of leave to accompany a sick family member, provided that they have a marital relationship or a relationship to the 2nd degree;
- b) 10 days of leave in the event of the death of their wife or children;
- c) 3 days for marriage of an employee;
- d) 3 days for the death of father, mother, grandfather, grandmother, brother or sister;
- e) 2 days for the death of a direct uncle or aunt;
- f) 130 days for a Muslim female employee and 14 days for a non-Muslim female employee in the case of death of her husband;
- g) 15 days of examination leave only for Omanis who study at school, college or university; or
- h) 7 days paternity leave, if the child is born alive and the leave does not exceed 98 days from the date of birth.

## Discrimination & harassment

There are no specific discrimination laws in Oman, save for 2 provisions in the Labor Law relating to non-discrimination of women employed in similar situations to men and preference for employment of Omani nationals. The Basic Law and Penal Code prohibit abuse or harassment on the grounds of gender, origin, color, language, religion, sect, domicile and social status.

## Whistleblowing

There is no specific whistleblower legislation, and the Labor Law does not address this issue in detail. The Labor Law does provide the employee the right to leave their job and receive compensation if the employer or its representative commits an act contrary to morals against the employee.

## Benefits & pensions

The Social Security Fund (Fund) pays social service benefits to Omani and GCC national employees who have subscribed to the scheme. Private sector employers are required to enroll Omani and GCC national employees with the Fund and make monthly contributions to the Fund's scheme.

All other employees are entitled to receive an end-of-service gratuity (EOSG) on termination calculated by reference to salary and length of service, unless the employer contracts out of these arrangements with their employees by providing a savings scheme or pension scheme. However, the other employees will be subject to the Fund's scheme with regard to the EOSG and the work injuries, after issuance of a decision by the Chairman of the Fund.

## Data privacy

There is a new law RD 6/2022, enforced from February 12, 2023, which protects personal information. Key provisions include the following:

- Prior to processing personal data, the data controller (*ie*, the employer – a person who determines the purpose and means of processing personal data) is required to issue a notice to the data subject (*ie*, the employee). The notice should set out certain mandatory information, including the purpose of processing their data, details of the controller and processor (a person who processes personal data on the controller's behalf), the rights of the data subject as well as the degree of disclosure of that data.
- Personal data can only be processed within a framework of transparency, honesty and respect for human dignity.
- Before processing, the controller must obtain express written consent of the data subject.
- Data subjects are granted various rights under the law. These include the rights to transfer their personal data to another controller; erasure of personal data; obtain a

copy of their processed personal data; revoke their consent and amend, update or block their personal data; and be notified of any breach or infringement of their personal data.

- The law requires controllers to appoint a data protection officer, maintain records, and implement controls and procedures to protect personal data.
- The law allows for the transfer of personal data outside of Oman only in accordance with "controls and measures specified in the regulations" – however, no transfer may take place if it would cause harm to the data subject.

In addition, the Electronic Transactions Law, RD 69/2008 (ETL) provides for the protection of personal data and regulates the transfer of personal data outside of Oman.

The Cyber Crime Law, Royal Decree no. 12 /2011 (Cybercrime Law) provides that it is an offense to violate the privacy of individuals through technology and prohibits the collection of private data.

It is advisable to seek prior written consent from employees to the processing of their personal data to the extent necessary to overcome the various privacy protections set out in the applicable civil and criminal laws.

## Rules in transactions /business transfers

Omani employees automatically transfer to the purchaser; however, expatriate employees do not.

## Employee representation

Permitted under the Labor Law.

## Termination

### Grounds

Termination possible on the following grounds: by agreement, on the expiry of a fixed-term contract or completion of the specific project, resignation, incapacity or death, dismissal with notice provided it is for a valid reason or summary dismissal by reason of any of the grounds listed at Article 40 & 43 of the Labor Law.

### Employees subject to termination laws

All employees.

### Prohibited or restricted terminations

Employees who have not exhausted statutory sick leave or who are on public holiday. In such instances, any notice of termination will not be effective until the leave of absence has ended.

It is also not permissible to dismiss a female employee by reason of illness which is proven by a medical certificate to have resulted from pregnancy or delivery (and where she cannot resume work because of such illness), provided that the total period of absence is not more than 6 months.

### **3rd-party approval for termination/termination documents**

None required.

### **Mass layoff rules**

None.

### **Notice**

30 days' statutory notice.

### **Statutory right to pay in lieu of notice or garden leave**

No. Depends on contract terms.

### **Severance**

Unless terminated under Article 40 of the Labor Law, employees are entitled to salary and benefits to the termination date; notice (or payment in lieu); payment in lieu of accrued but untaken annual leave; the cost of an airline ticket to repatriate the employee to their home country (unless the dismissal is attributable to the employee and the employee has the funds to pay their own costs or the employee has obtained alternative sponsorship to remain in Oman); an end-of-service gratuity payment; and reimbursement of unpaid business expenses.

In case of termination by the employer, the end-of-service gratuity is calculated based on the employee's final salary. An employee is entitled to 1 month's pay for each year of service.

## **Post-termination restraints**

It is permissible to have restrictive covenants contained in the contract of employment, provided that:

- The employee has become acquainted with the employer's clients or the secrets of the business and
- The covenants are reasonably drafted in relation to their duration, geographic scope and the nature of the business to be protected.

Parties are permitted to include a liquidated damages clause in the contract of employment as it is not possible to obtain an injunction in Oman.

Article 661 of Royal Decree No. 29/2013 issuing the Civil Transactions Law of Oman (CTL) states that:

- If the work of the employee is such that they are permitted to have access to work secrets or to make acquaintance with the customers of the business, both parties can agree that the employee may not compete with the employer or engage in an employment which competes with it after the termination of the contract. However, such agreement shall not be valid unless it is:
  - Limited in time
  - Restricted as to place and
  - Specific as to the type of work the employee can undertake, all as necessary to protect the lawful interests of the employer.
- It shall not be permissible for the employer to rely on a non-compete agreement if the employer terminates the contract without justification (*ie*, if there is no action on the part of the employee justifying termination), and likewise it shall not be permissible for the employer to rely on the non-compete agreement if it commits any act which justifies the employee's resignation in response (*ie*, if the employer's action justifies the employee terminating the contract).

#### **Non-competes**

Typically no longer than 2 years.

#### **Customer non-solicits**

Typically no longer than 12 to 24 months.

#### **Employee non-solicits**

Typically, no longer than 12 to 24 months.

## **Waivers**

Waiver agreements are commonly used, but their enforceability has not been tested by the courts.

## **Remedies**

#### **Discrimination**

Not applicable.

#### **Arbitrary dismissal**

For arbitrary dismissal claims, the courts may order reinstatement (although this is uncommon in practice) or compensation from 3 to 12 months' pay.

#### **Failure to inform & consult**

Not applicable.

## Criminal sanctions

Criminal sanctions may be imposed for a variety of reasons, including but not limited to breach of health and safety obligations, breach of immigration laws, breach of data protection laws and breach of confidentiality.

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## About us

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DLA Piper is a global law firm with lawyers located in more than 40 countries throughout the Americas, Europe, the Middle East, Africa and Asia Pacific, positioning us to help companies with their legal needs around the world.

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