



Sultanate of Oman
The Public Authority
for Consumer Protection



Royal Decree
Bearing No. 67/2014

Promulgating
Competition Protection
and Monopoly
Prevention Law



The first edition 2015

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Bearing No. 67/2014

**Promulgating Competition Protection
and Monopoly Prevention Law**

We, Qaboos Bin Said..... Sultan of Oman

After perusal of the state's basic law promulgated by virtue of Royal Decree Number 101/96;

And the Law of the Public Authority for Customer Protection law promulgated by virtue of Royal Decree Nr. 53;

and after the referral of the same to the Council of Oman
and as required by public interest;

We have decreed the following:

Article I

The provisions of the attached Consumer Protection and Monopoly Prevention Law shall take effect and come into force.

Article II

This Decree shall be published in the official gazette.

Promulgated on: Safar 7th for the year 1436 H

Corresponding to: November 30th, for the year 2014AD

**Qaboos Bin Said
Sultan of Oman**





Competition Protection and Monopoly Prevention Law

Chapter I

Definitions and General Provisions

Article (1)

In application of the provisions of this law, the following words and phrases shall have the meaning herein assigned thereto, unless the context requires otherwise:

The Authority:

Public Authority for the Customer Protection.

The Board :

The board of the Public Authority.

The Chairman

The chairman of the Public Authority.

The Regulations

The executive regulations of the Competition Protection and Monopoly Prevention Law.

The Person:-

Any natural or legal person or any other legal entity whatsoever its legal status, does practice or exercise any economic or commercial activity.

The Concerned Market:-

The concerned market will be based on two elements that are the relevant products and geographic sphere. The relevant products shall mean all products that any of the same is deemed as an alternative to the other, or can substitute or replace the same as per the point of view of the service or good receiver, including without being limited to the products offered

by the competitors within any other markets near to the customer. The geographic sphere shall mean the zone where the competition circumstances are similar or identical, which within its scope both vendor and purchaser deal with such products to determine the prices.

Monopoly:-

Any form of the control to be imposed by any person or group of people directly or indirectly over the quantity or the price for any good or service in such manner that the freedom of the competition is restricted or the same was adversely affected.

The Products:

The local and imported commodities and services

Domination:-

The ability demonstrated by any individual or a group of people directly or indirectly co-engaging in the control over the concerned market, and hence, acquiring a rate exceeding (35%) thirty five percent of the volume of this particular market.

Economic Concentration:

Any act resulting in partial or whole transfer of the equity for assets, shares, dividends, interests, rights or obligations assumed by any person towards another, or the establishment of consortiums, mergers, consolidation of two or more than managements within one joint management, in such manner that the same directly or indirectly renders such person or group of people in a dominant and controlling position.

Article (2)

This law aims at regulating the freedom of practicing any economic activity, stabilizing the principles of the market rules and freedom of pricing in such manner that the same shall not restrict the integral competition, prevent the same or to be negatively affected thereby.

Article (3)

The provisions of this law shall be applied on all activities relevant to



production, trade and services or any other economic or commercial activities practiced in the Sultanate of Oman or any other economic or commercial activities to be practiced outside the sultanate and the same shall have consequences prevailing in the Sultanate of Oman.

Moreover, the provisions of this law shall be applied on any form of violation relating to intellectual property rights, trade marks, patents and copyrights, given the fact that the same has negative or adverse impact on competition.

Article (4)

The provisions of this law shall not be applied on the activities relevant to the public facilities fully owned or controlled by the Sultanate of Oman. This law shall not be applied on any activities relating to researches and development to be conducted by any public or private bodies.

Article (5)

The board may, in accordance with the controls stated under the regulations, exclude any person out any agreement, procedure or businesses relevant temporarily to the products and for a certain period in any of instances that reduces the preliminary costs and entail customer protection and benefit, in particular, should the same aims at any of the following:-

A/ Seeking rationalization of the organizational structure, commercial scope or enhancement of the project efficiency from a commercial point of view.

B/ Encouraging the technical or technological progress or promote the quality of the products.

C/ Increasing the capabilities of the Omani Small and Medium size Enterprises in terms of the competition

D/ Stimulation of the unified application of the standards and criteria of quality and technological estimations for all kinds of products.

C/ Unification of the terms and conditions governing the trade, delivery of the commodities and payment, provided however that the same shall be relevant to the prices or any pricing elements.

E/ Drawing general benefits including without being limited to Energy conservation, environment protection, provision of aids given emergency circumstances and natural disasters.

Article (6)

The regulations determine the instances of domination or control over the concerned market as per criteria regulating the market structure and the smoothness extent for entering new competitors or subject to any criteria set by the board.

Article (7)

Any person may conclude any agreement for importing any product licensed to be traded within the Sultanate of Oman for the purpose of selling, distribution, marketing or promoting of the same, regardless whether such imported product was previously monopolized as the same was imported, sold, distributed, marketed or promoted by any exclusive agent or not.





Chapter II

Forbidden Practices

Article (8)

Any agreement or contract may not be concluded either inside or outside the Sultanate of Oman, or to take any procedures, whether written or oral, for the purpose of monopolization in terms of import, production, distribution, and sale or purchase of any commodity or trade of the same or to take any form of monopoly that may negatively affect the market.

Article (9)

Any agreement or contract may not be concluded either inside or outside the Sultanate of Oman, or take any procedures or practices, whether written or oral implied or expressed, for the purpose of prevention of competition, elimination or undermining the same, particularly with regard to the following:-

A/ Pricing, discounts, sale or purchase terms and conditions or provisions of the services.

B/ Determination of the production quantities or elimination of the flows of the same to the market or removal thereof as entirely or partially through covering, storing of the same or refraining from dealing therein.

C/ Induction of the dealers in their market to provide quantities of the products in abrupt manner leading the trade of such product or performance of such service for unreal prices.

D/ Division of any current or potential market for the products on the geographic or consuming basis, depending on the client's class, seasonal or period of time basis or depending on the commodities basis.

E/ Prevention, hampering, suspending any practice for any per-

son to perform his economic or commercial activity within the market.

F/ Dealing or refraining from dealing with specific people.

G/ Refraining from trading the product in the market whether in terms of sale or purchase with certain persons(s).

H/Suspending the conclusion of any arrangement subject to approving obligations to be, given its nature or the commercial use thereof, irrelevant to the subject matter of the transaction or the agreement.

I/Manipulations to be acted in the auctions or tenders among certain people, setting stipulations under the tender conditions including without being limited to listing the trademarks of the commodity or a description of the same.

Article (10)

Any person having a dominant position may not practice any activities that may infringe, negatively affect the competition, eliminate or prevent of the same, including without being limited to the following:-

A/ Selling the product in a price lower than its actual cost for the purpose of preventing certain competitors to enter the market, excluding them therefrom or expose them to losses with which they will not be able to perform their activities.

B/ Imposing restrictions on supplying the product in an attempt to create unreal shortage in an endeavor to increase the prices.

C/ Imposing specific requirements regulating the sale or purchase or dealing with another person in such manner that such person became in weak competitive position with regard to the other competitive persons.

D/ Refraining from dealing with any other person without rea-



sonable cause in order to prevent such person from entry into the market or in an attempt to force them out therefrom.

E/ Stipulating the sale or supply of certain commodity or rendering specific services against purchase of certain commodity or performance of this service from the same or any other person.

F/ Pricing or directly or indirectly determining the conditions for the resale of the products.

G/ Enforcing certain obligation in an attempt to cease manufacturing, production or distribution with respect to a certain product for a limited period(s).

H/ Purchase, store or spoil certain commodities for the purpose of increasing the prices or preventing the reduction of the same.

I/ Reducing or increasing the quantities available of certain product in such manner that the same results in creating shortage or unreal abundance thereof.

J/ Discrimination without a reasonable cause among the clients concluding similar contracts in terms of product prices, sale or purchase terms and conditions subject thereto.

K/ Inducing dealers not to allow for certain competitor to use it may be in need thereof in terms of facilities or services pertaining thereto, even if such use is economically practical.

L/ Keeping any manufacturer or supplier under obligation not to deal with any other competitor.

M/ Pending conclusion or execution of an agreement or contract on condition of accepting obligations to be – given its nature or by virtue of the commercial use thereof, irrelevant to the subject matter of the transaction or the agreement.

Article (11)

The persons intending to take any action resulting in economic concentration shall submit a written request to the authority which shall peruse such requests and render the resolution thereon within a period not exceeding ninety (90) days after receipt of such request thereby. If such period was expired without determination rendered therein, the same shall serve as an approval thereon. The actions subject of the request shall not be taken unless after rendering a resolution by the authority or the elapse of the period referred hereto without determination of the same.

This person may submit a complaint to the chairman within a period of sixty (60) days as of the date of rendering the resolution for rejection. Such complaint shall be determined during a period of thirty (30) days as of the date of its submission. The elapse of such period without any replay shall serve as an approval on this complaint.

The authority may cancel the request after rendering of an approval thereon, if it was proved thereto that the information submitted thereto by the applicant is not true or correct or marred with any fraud or forgery.

In all instances, the approval may not be rendered on any action resulting in economic concentration leading to the acquisition of a rate exceeding (50%) fifty percent of the concerned market.



Chapter III

Regulating violations

Article (12)

The personnel whose identifications were determined by virtue of a resolution rendered by the competent body along with the chairman, shall be bestowed with the capacity of judicial execution regarding the application of the provisions stated under this law and the regulations, resolutions rendered for the enforcement of the same.

Article (13)

The authority personnel bestowed with the powers of the judicial execution may peruse any cases of monopoly and economic concentration and investigate the forbidden practices. They will have also the powers and authorities to scrutinize and audit the required information, particulars and records. Any officer shall serve the authority with what the authority deems required in this regard without any delay.

Article (14)

Any person shall not prevent any judicial execution officer from entering the establishment, annexes and head offices of the same or conceal any information required in this regard, give information deemed as irrelevant or misleading, hide or damage any documents or deeds required in the investigation process.

Article (15)

The violations shall be administratively reported and investigated or the same may be referred to the jurisdiction as the case may be and as contemplated under the regulations and in pursuance of laws, regulations and resolutions applicable in this regard.

Article (16)

The officers who got acquainted with any information, particulars and records by force of their capacity, shall keep and save guard the same as confidential and they may not get any third party acquainted with the

same or to be submitted to any other entity unless after obtaining the approval of the competent judicial authorities.

Article (17)

Any person may report to the authority upon any conclusion of certain agreement, procedure or practice forbidden in pursuance of the provisions of this law.





Chapter IV

Penalties

Article (18)

Without prejudice to any other severer penalties imposed pursuant to the Omani penal Code or under any other laws, the crimes stated under this law shall be punished by the penalties provided for therein.

Article (19)

Whoever has violated the provisions stated under any of articles (8), (9) and (10) of this law, shall be imprisoned for a term not less than three (3) months and not exceeding three (3) years and with a fine equal to what was gained thereby in terms of profits from selling the products subject of the violation, or any of the aforementioned penalties plus a rate not less than (5%) five percent and not exceeding (10%) ten percent of the total annual sales of the products subject of the violation, and which was gained the violator during the last fiscal year.

Article (20)

Whoever has violated the provisions stated under any of articles (11), (14) and (16) of this law, shall be imprisoned for a term not less than one (1) month and not exceeding three (3) years and with a fine not less than an amount of (OMR 10000), Ten thousand Omani Riyals and not exceeding an amount of (OMR 100000), hundred thousand Omani Riyals or by either of these two penalties.

Moreover, whoever has breached the authority resolution rendered under article (11) of this law shall be punished by the same penalty.

Article (21)

Without prejudice to any other penalties stipulated upon under both articles (19) and (20) of this law, the court may take the following procedures or any of the same upon violating the provisions of this law:-

A/ Rendering a ruling to the effect of keeping the violator under obligation to legalize his status or rectify the violation

during a fixed period of time as determined by the court, provided however that such period shall not exceed three (3) months.

B/ Rendering a ruling to the effect of keeping the violator under obligation to dispose of some assets, shares or right equity or take any other actions procuring the removal and rectification of the violation effects.

C/ Rendering a ruling to the effect of keeping the violator under obligation to settle a fine on daily base till removal of the violation, estimated in an amount less than (OMR 100) one hundred Omani Riyals and not exceeding (OMR10000) Ten thousand Omani riyals.

Article (22)

The same penalties stipulated under this law shall be applied to the chairman, the members of the board of directors, Executive Chief Officer, authorized directors and officers reported to the violator person, should it was substantiated that they were substantially aware of such violation, and their failure to fulfill the tasks entrusted therewith has contributed to the occurrence of the crime.

The legal person shall be jointly held liable for fulfilling what was ruled in terms of financial penalties, remedies and liquidated damages, if the violation was committed by any of the personnel serving for such legal person or in its favor.

Article (23)

Upon the recurrence of the same violations, the penalties contemplated under articles (19) and (20) shall be doubled along with closing the commercial business or enterprise or suspension of the commercial activity - as the cases may be- provided however that the period shall not exceed thirty (30) days.



Article (24)

Should any violations stipulated under both articles (8) and (9) of this law, was committed, the court may render its ruling to the effect of mitigating or discharge of such penalty, with regard to the violators who tend initiatively to report the violation to the authority and to serve the authority with all evidences in its possession supporting the commission of such violation and hence, the court shall determine how far the same has contributed to the detection of the elements of the crime and substantiating the pillars of the same at any phase of investigation, perusal, collecting evidences, investigation and persecution.

Article (25)

Notwithstanding any other penalties stipulated under the penal Codes of this law, the president may impose administrative fines concerning what was rendered thereby in terms of regulations and resolutions for the violations of the provisions of this laws as amended, provided however that such fine shall not exceed (OMR 5000) five thousand Omani Riyals and the fine shall be doubled upon recurrence. The commission of a similar violation during a period of five (5) years shall be deemed as a recurrence in the application of the provisions of this law. Upon the sustainable violation, administrative fine may be imposed in an amount not exceeding (OMR 500) five hundred Omani riyals per day during the sustainability of such violation, provided however that the total fine in aggregate shall not exceed (OMR 10000) Ten thousand Omani riyals.

Article (26)

The violations stated under this law shall be referred to the general prosecutor by virtue of a resolution to be rendered by the president or whoever authorized thereby.

Article (27)

The final resolutions and provisions rendered in execution of the provisions of this law, shall be published at the cost of the violating party in two daily newspapers, provided however that one of the same shall be edited in Arabic or through any other media means.

Chapter V

Final Provisions

Article (28)

The chairman of the board shall render this regulation following an approval from both the board and the ministerial cabinet, during a period of time not exceeding six (6) months as of the date of promulgation of this law, and shall also issue the regulations and resolutions required to execute the provision of this law.

Article (29)

All provisions considered in contradiction of this law or in conflict with the provisions thereof shall be deemed void and nullified.

Article (30)

This law shall be put into force and take effect as of its date of publication in the official gazette.



