

19th March, 2002

Circular BM 933

To: All Licensed Banks
Operating in the Sultanate of Oman

After Compliments,

Re : **Maximum Limit of Investment by Licensed Bank in
Government Development Bonds**

1. Attention of Licensed Banks is invited to provisions of Article 65(d) of the Banking Law issued by Royal Decree No. 114/2000.
2. In conformity with the above Article 65(d), licensed banks are informed that, henceforth, the maximum permissible limit on investment in Government Development Bonds for a licensed banks own account shall not exceed 20% of their network.
3. Licensed banks who were appointed as over-the-counter (OTC) Agents will be allowed to hold additional 10% of their network for trading purposes only. This additional 10% can either be acquired in the primary or secondary markets.
4. Licensed banks which are holding Government Development Bonds in excess of 20% network limit may Continue to hold the excess until maturity date of the respective bonds and inform CBO accordingly.

Best regards,

Hamood Sangour Al Zadjali
The Executive President

