

13<sup>th</sup> May, 2002

**Circular BM 938**

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 of 2000 and Circular BM 933 dated March 19, 2002.
2. The Board of Governors have, in order to provide Licensed Banks with enhanced opportunities for investing surplus money beyond the stipulated lending ratio limitation, decided to raise with immediate effect the maximum permissible limit on investment in Government Development Bonds from 20% to 30% of a Bank's network.
3. Licensed Banks, appointed as over-the-counter Agents, should restrict their holdings, including those acquired for trading purpose as OTC agents, to the set 30% (net worth) limitation.
4. Licensed Banks are further advised that the network position during any year used in the calculation of these limits will, henceforth, be based on their Audited Balance Sheet as of December 31<sup>st</sup>, of the previous year.

Best regards,

**Hamood Sangour Al Zadjali**  
**The Executive President**

