

**Circular BM : 939**

**June 16, 2002**

To: All Licensed Banks in the Sultanate of Oman

**Sub: Lending Limitations of Licensed Banks**

The attention of all licensed banks is drawn to direction contained in the circular letter No. BSD/2002/BKUP/BANKS/097 dated February 13, 2002 on the captioned subject. The difficulties expressed by the banks in implementing the direction have been considered by the Board of Governors of the Central Bank of Oman and the following instructions are issued for strict compliance:

- A) The exposures to SAOG companies are not required to be reckoned for arriving at the aggregation of credit facilities enjoyed by a person and his related parties for compliance with Article 68(b) of the Banking Law of 2000.
  
- B) Licensed banks which have exposures to a person and his related parties in excess of 15% of the amount of the net worth, after excluding the exposures to SAOG companies, are permitted time till December 31, 2002 for scaling down their existing exposures to the single obligor lending limit.

- C) The effective date of this circular for compliance reports to be submitted to the Central Bank of Oman on a quarterly basis shall be June 30, 2002.

All licensed banks are directed to comply accordingly.

Best regards,

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

cirBM-Lending Limitations