

December 17, 2002

Circular BM - 944

To: All Licensed Finance and Leasing Companies

Sub: Submission of Audited Financial Statements to the Central Bank of Oman

Pursuant to Article 72(a) of Banking Law, all the licensed Finance and Leasing companies are directed to submit their audited financial statements to the Central Bank for prior approval before presentation at the Annual General Meeting and publication in the press, latest by February 15 of the following year. The audited draft financial statements should, *inter alia*, contain income statement, balance sheet, statement of changes in equity, notes forming part of the financial statements, account-wise loan loss provisions that are determined under the Central Bank's norms and International Accounting Standards (IAS) 39, cash flows and reports and management letters of the external auditors. However, the Leasing and Finance companies should ensure that the financial statements that are presented to the shareholders do make all disclosures, as set out in terms of the International Accounting Standards, Capital Market Authority (CMA), etc.

All the submissions to the Central Bank, in terms of this Circular, should be made in one lot and should be duly signed by the authorized signatories of the Finance and Leasing companies and that of their external auditors. All Finance and Leasing companies should also publish by March 31, in at least one Arabic language newspaper, published within the Sultanate, summarized versions of the balance sheet as of December 31st of each year and the relevant period's income statement. Further, all Finance and Leasing companies are advised to comply with the reporting requirements of the CMA, as mandated by it from time to time. It is, however, clarified that Finance and Leasing companies shall comply with all the reporting requirements of CMA, covering only macro-level institutional information without prior approval of the Central Bank, but with an obligation to forward simultaneously to us a copy of the reports filed with the CMA.

The licensed Finance and Leasing companies shall also, not declare any dividend without obtaining the specific prior approval of the Central Bank.

All the Finance and Leasing companies should comply with the provisions of this Circular in respect of the Audited Financial statements for the year ending December 31, 2002 and every financial year thereafter. Thus, the first set of the statements should be submitted by February 15, 2003. The failure by any Finance and Leasing company to comply with any of the provisions of this Circular shall render such a Finance and Leasing company to sanctions under the provisions of the Banking Law 2000.

Best regards,

Hamood Sangour Al Zadjali
The Executive President

Cir-FLC