

10 April 2007

CIRCULAR BM 1019

**To: All Licensed Banks
Operating in the Sultanate of Oman**

After Compliments,

Re: Minimum Capital Requirement

1. Reference is invited to Circular BM 995 dated 14 January 2006.
2. The Board of Governors of the Central Bank of Oman, pursuant to the provisions of Article 60 of the Banking Law (RD 114/2000) and on considerations of strengthening financial stability and facilitating financing of larger projects, enhancing public confidence and credibility with the public and raising the capacity of licensed banks to have larger share of economic activities, have resolved to increase the minimum paid up capital requirement of local commercial banks from RO 50 million to RO 100 million and assigned capital of foreign banks in Oman from RO 10 million to RO 20 million.
3. While the above will apply to all new banks, we encourage existing banks to meet the enhanced requirement progressively.

Best regards,

**Hamood Sangour Al Zadjali
The Executive President**

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