

REGULATORY INTELLIGENCE

COUNTRY UPDATE-Oman: Securities & Banking

Published 12-Jan-2026 by

Mansoor Jamal Malik, Marcus Pery and Armughan Ashfaq, Al Busaidy Mansoor Jamal & Co.

**Banking regulation in the Sultanate**

The Central Bank of Oman (the CBO), being the Sultanate of Oman's central bank, was founded in December 1974 as an independent juristic entity and began operations on April 1, 1975. The CBO is primarily responsible for the monetary stability of the national currency, the Omani Rial, for ensuring monetary and financial stability in a deregulated and open financial system and for regulating the banking sector in Oman. As set out in the Banking Law of Oman Sultani Decree No. 114/2000, as amended (the OBL), the role of the CBO is "to promote the economic and financial welfare of Oman".

The CBO has the status of an independent juristic body, with respect to both its governance and operations, and is managed by a board of governors comprising seven members appointed by His Majesty, the Sultan. His Majesty, from among the board of governors, appoints the chairman and the deputy chairman and decides on who shall represent the Ministry of Finance of Oman.

The board of governors has full authority to take all necessary measures for the management of the CBO, to implement its policies and to supervise the banking sector in the Sultanate of Oman for the purposes of licensing.

All banks and Omani deposit-taking loan and financial leasing companies are licensed by the CBO. Foreign banks seeking to undertake banking business in Oman must apply for and obtain a branch licence for their operations in Oman, although foreign banks advancing credit facilities to Omani borrowers in Oman will not be seen to be conducting business in Oman provided the foreign bank is not carrying out any other activities in Oman which would constitute carrying on a business.

The OBL confers, inter alia, the following powers on the board of governors:

- to formulate an appropriate monetary policy for the Sultanate;
- to supervise and organise all matters pertaining to the currency of the Sultanate including the printing of notes, minting of coins, the protection of these notes and coins, issuing the currency and withdrawing it from circulation in accordance with the OBL;
- to review applications for the grant of a banking licence for the establishment of a bank or a branch of a foreign banking company in Oman, pursuant to the provisions of Articles 54 and 55 of the OBL and to take all necessary measures for supervision and organisation of the banking sector in the Sultanate, pursuant to the OBL;
- to examine, at its discretion, the accounts, records and the affairs of licensed banks or of an applicant seeking a licence from the CBO. The board of governors may, at its discretion, delegate responsibility for conducting such examination to any other organisation for the submission of a report on such investigation to the board of governors, provided that the board of governors have ensured that complete confidentiality is observed in the conduct of such examination;
- to withdraw the licence or suspend the business of a licensed bank in the Sultanate or impose any other penalties permitted by the rules and regulations of the CBO (the CBO regulations) in accordance with the exigencies of circumstances, in the event of a bank's failure to comply with the OBL, CBO regulations, CBO directives and policies and/or other applicable laws of Oman, or if the board of governors decide that the financial standing of a bank is unsound or insecure or that suspension of its business or the imposition of penalties is necessary to safeguard the interests of depositors in the Sultanate; and to seize any suspended bank, administer it during the period of suspension and, if required, liquidate and close it or reorganise or reopen it or order, at any time, the sale of all or part of its business or assets and/ its liabilities or take any other similar measure, pursuant to the OBL and the CBO Regulations;
- to fix the criteria and prices at which the CBO may purchase, sell or enter into agreements for re-purchase or counter-re-purchase, discounting or re-discounting of the following instruments, maintained by the CBO with banking institutions:
- commercial paper including bills of exchange payable within 90 days and bills of exchange issued to finance seasonal fisheries and agricultural operations payable within 180 days;



- treasury bonds and bonds of the Government of the Sultanate; and
- bonds, debentures, and commercial paper pertaining to any ministry, or other governmental organisation, if guaranteed by the Government of the Sultanate;
- to ensure that sufficient provisions are made by licensed banks with respect to their doubtful or impaired assets in their records, balance sheets and in the reports submitted to the CBO in accordance with the OBL;
- to decide on the level of reserves against deposits which licensed banks must maintain with the CBO;
- to issue CBO Regulations and/or directives:
- pertaining to the control of currency, to include, specifically therein any restrictions on foreign currency kept by licensed banks inside the Sultanate and interest paid on non-resident accounts with Omani banks and restrictions or limits on the remittance of the Sultanate's currency abroad or its transfer from the Sultanate, if such measures are necessary to preserve the value, performance and stability of credit and currency in the Sultanate;
- imposing restrictions on the amount and nature of foreign currencies and banknotes kept by licensed banks in Oman and the procedure to be followed by the licensed banks in dealing in them and the status of the open foreign currency which the licensed banks may keep;
- relating to the application of the provisions of the OBL and banking regulations in general and with regard to any activities to be performed by the CBO in relation to banking business in Oman; and
- fixing interest rates paid on term deposits, and on demand deposits and the interest chargeable by banks on loans or extension of credit;
- to receive and review the annual report of the CBO, submit recommendations aimed at improving the efficiency of the CBO in discharging the duties assigned to it for the achievement of the Government of Oman's objectives. The chairman of the board of governors must submit the board's report to His Majesty, the Sultan together with the recommendations of the board of governors;
- to specify the legal framework or necessary legal grounds for insuring deposits of the licensed banks and to issue the regulations and specify the necessary rules for such purpose;
- to represent the Government of the Sultanate, upon appointment by His Majesty, the Sultan for this purpose, at international financial and monetary institutions in which the Sultanate is a participant and appoint representatives or committees or participate in the activities of central banks and other international financial and monetary institutions; and
- to develop regulations, circulars and directives in respect to Islamic banking activities, including licensing, organisation, management, Sharia compliance, capital, credit, limits of investment, exposure, accounting, reporting, disclosure, risk management and others.

In addition to the powers conferred and responsibilities assigned to the board of governors by the OBL, the board has other powers for the management of the CBO, issuing currency and controlling institutions undertaking banking business in Oman, and such other activities which are not inconsistent with the provisions of the OBL or the provisions of any other applicable laws of Oman.

CBO regulations and circulars

The CBO has issued an extensive list of regulations and circulars from among which it is to be noted that the CBO regulates the minimum capital requirements for banks, capital deposits, lending ratios to be complied with by banks, reserves against deposits, provisions for losses on banking assets and eventual liabilities, foreign exchange positions held by banks, borrowing and lending limitations on banks, the conduct of the investment banking business in Oman, banks entering into future transactions of foreign exchange and precious metals and the appointment of members of boards of directors of banks and their powers.

Deposit insurance

Pursuant to CBO Regulation ref. BM/2025/8/60 issuing the executive regulations of the Bank Deposits Protection Law and the Bank Deposits Protection Law Sultani Decree 47/24, the CBO administers and participates in the financing of a bank deposit insurance system which provides the commercial banks with a high level of security for deposits while mitigating the effect of any unforeseen circumstances.

The CBO also has an early warning system for commercial banks to help it to anticipate possible financial crisis and take preventive actions when necessary.

Securities regulations in Oman

The Securities Law (Royal Decree 46/2022) of Oman defines the term "securities" as any negotiable and transferable financial contracts, property rights, or debt instruments such as shares, bonds, sukuk, and any other securities as stipulated by this law or identified by the board of directors of the Financial Services Authority (FSA).

The Executive Regulations (Decision No. 1/2009) issued by the FSA (Executive Regulations) provides that the MSX comprises:

- the primary market in which securities are offered to the public and issued pursuant to the applicable rules, regulations, guidelines and practices adopted by the FSA;
- the secondary market in which securities are purchased or sold directly or through brokers and the transfer of their ownership takes place on the floor of the MSX, in the brokers' offices or the market's office;
- the regular market, being the section of the secondary market where dealings on the MSX floor are regulated in respect of companies' shares subject to special listing conditions as specified by the board of the FSA;



THOMSON REUTERS™

© 2026 Thomson Reuters. All rights reserved.

- the parallel market, being the section of the secondary market where dealings on the MSX floor are regulated in respect of companies' shares, subject to simplified listing requirements specified for the parallel market, in order to facilitate the provision of early liquidity for the securities listed therein prior to their listing on the regular market; and
- the third market, being a section of the secondary market where off-floor dealings take place at the brokers' offices in respect of companies' shares to which specific conditions for trading on the floor do not apply, or where ownership of securities is transferred off-floor without a broker.

All joint stock companies in Oman, irrespective of the sphere of activity in which any such company may intend to operate, if intending to issue securities to the public must first obtain the approval of the FSA with regard to the offering of the securities and the offering documents.

The FSA is an independent juristic body with financial and administrative autonomy to dispose of its funds, manage itself, and conduct its activities on a commercial basis. Pursuant to Royal Decree 20/204, the FSA aims to achieve the following:

- setting the legislative and regulatory frameworks that achieve the appropriate environment for the advancement of the sectors and activities subject to its regulation, supervision, control, and the services they provide in the Sultanate of Oman, and working to ensure their independence, integrity, transparency, and continued competitiveness;
- spreading awareness among segments of society and customers about the sectors and activities that are subject to their regulation, supervision, and control and the services they provide, by enhancing knowledge of basic financial concepts, and facilitating access to and appropriate use of necessary financial services;
- following up on the compliance of bodies subject to its regulation, supervision, and control with the legislative and regulatory frameworks it establishes, and ensuring their proper performance;
- protecting the rights of investors and those dealing with bodies subject to its regulation, supervision, and control from potential risks, working to consolidate the foundations of proper and fair dealing between the various categories of investors and customers, and protecting the confidentiality and privacy of their data;
- establishing rules of professional conduct, self-monitoring, and discipline among all bodies subject to its regulation, supervision, and control; and
- participating effectively in achieving the objectives of development plans and national strategies.

In addition to the above, the FSA has assumed all powers and competencies necessary to achieve its objectives, and in particular it is responsible for:

- regulating, supervising, and controlling financial sectors and bodies operating therein, including capital markets in all their components, insurance companies, the market for commodities, energy and derivatives, credit rating agencies, persons, bodies, companies, services, and products associated with them in a manner that achieves their safety and limits the impact of potential risks on them or on the stability of the financial system;
- organising the accounting, auditing, supervision, and control profession;
- assisting bodies subject to its regulation, supervision, and control in developing the services they provide, creating the appropriate environment for innovation, and providing products and services that meet the needs of society;
- preparing draft laws, royal decrees, regulations, decisions, and instructions relating to the competences of the FSA;
- doing what is necessary to ensure the enforcement of laws, regulations, decisions, and instructions, whether through auditing and inspecting bodies subject to their regulation, supervision, and control in the field or office themselves, or by assigning the task to external parties, or through electronic linkage through automated systems;
- organising administrative investigations and the necessary summonses and requesting the presence of violators of laws, royal decrees, regulations, decisions, and instructions relating to the competences of the FSA or when a violation of the provisions of the corresponding laws occurs outside the Sultanate of Oman, at the request of the external body, and taking the necessary measures against violators;
- collecting data, information, and statistics on the sectors and activities subject to its regulation, supervision, and control, and contributing to the publication of reports thereon;
- conducting studies and submitting proposals to various official bodies regarding and amending laws in force, and for this purpose it may approve the application of services, activities, or licenses for a temporary period, in preparation for the issuance of new legislation of its own;
- communicating with counterparts inside and outside the Sultanate of Oman, international unions and organisations, joining their membership, and exchanging knowledge and experience with them;
- holding local and international seminars, forums, and conferences, with the aim of educating community groups about the sectors, services, and activities that are subject to the regulation, supervision, and control of the FSA, and the risks that must be known and managed;
- supervising training courses for workers in sectors and activities that are subject to the regulation, supervision, and control of the FSA;
- establishing or contributing to the establishment of any specialised educational or vocational training institution with the aim of supplementing sectors and activities that are subject to the regulation, control, and supervision of the FSA, through the qualification, training, and building of national capacities, in coordination with competent bodies; and



THOMSON REUTERS™

© 2026 Thomson Reuters. All rights reserved.

- representing the Sultanate of Oman in conferences, meetings, regional and international organisations, and institutions relating to the competences of the FSA.

In addition to its administrative functions, the FSA board is responsible for the following:

- participating with units of the administrative apparatus of the state and other public legal persons in everything that would achieve and develop the sectors, activities, and plans whose implementation the FSA supervises;
- adopting the administrative and financial regulations of the FSA, and other internal regulations necessary to regulate the workflow of the Board and the FSA;
- adopting periodic and annual reports submitted to the Council of Ministers on the activity of the FSA;
- adopting regulations relating to the competences of the FSA;
- issuing a decision to prevent the issuance of new licenses for one or more specific activities, for the periods it deems appropriate if this is in the interest of the national economy, provided that its decision is justified;
- determining the fees, commissions, and fees for the services collected by the FSA, after the approval of the Ministry of Finance;
- forming committees to settle disputes and grievances relating to financial sectors, activities, and services that are subject to the regulation, control, and supervision of the FSA; and
- forming permanent or temporary advisory committees from among its members and others, to assist the board in performing the work entrusted to it.

The FSA is empowered to issue rules and regulations which meet the purposes of the Securities Law. The FSA's rule-making authority is intended to provide the FSA with flexibility and responsiveness by avoiding the lengthy process of legislative amendment. Some regulations however take time to be completed and implemented.

FSA rules and regulations are legally binding on market participants and are subject to enforcement actions. In addition, the FSA issues policies and guidelines which, while not legally binding, serve to inform market participants how discretionary authority will be exercised, how securities law will be interpreted, and the practices followed by the FSA in carrying out their mandate under the Securities Law.

The FSA through its regulations oversees corporate governance, disclosure, insider trading, offering and listing of securities, the offering of foreign securities in the Sultanate of Oman and maximum ownership limits on shares in public joint stock companies.

Grievance committee

The Securities Law provides that the board of the FSA should form a grievance committee (Committee) with the membership of (2) two judges whose position is not less than a first instance court judge, to be nominated by the competent judicial authority. The oldest of whom shall act as the chairman of the Committee, and one representative with experience in securities shall be nominated by the Oman Chamber of Commerce and Industry.

The Committee shall consider the grievances submitted to it against any decision issued by the chairman of the board of the FSA or the FSA pursuant to the Securities Law and the Executive Regulations and decisions issued in implementation thereof.

The concerned parties may appeal the decision of the Committee imposing any penalties within (15) fifteen days from the date of their notification of the decision imposing the penalty. The Committee must decide on the grievance within (15) fifteen days from the date of its submission. Failure to respond to the grievance within such period shall be deemed an acceptance of the grievance.

Investor protection

For the protection of investors in securities, the FSA has introduced regulations governing the establishment and operation of a Financial Settlement Guarantee Fund, to which each licensed broker is required to contribute a stipulated amount. The guarantee fund guarantees the settlement of accounts regarding transactions entered into on the MSX within the stipulated time period. In addition to the guarantee fund, the FSA has established an Investors Trust Fund.

In accordance with the regulations set out in the charter to the trust fund, all entities licensed by the FSA must transfer into the trust fund any investor funds held by them which have remained unclaimed for a period of seven months from the date of their maturity.

The type of investor funds which must be deposited into the trust fund include: surplus subscriptions after the allotment of shares; monies payable in respect of rejected subscription forms; proceeds from the sale of shares; unpaid dividends; liquidation proceeds, and such other amounts as the FSA may direct be deposited to the trust fund. Investors entitled to the funds referred to above may then lodge their claims with the board of the trust fund.

Mansoor Jamal Malik, managing partner, Marcus Pery, partner, and Armughan Ashfaq, senior associate, at Al Busaidy Mansoor Jamal & Co. in Oman

[Complaints Procedure](#)

Produced by Thomson Reuters Accelus Regulatory Intelligence

04-Feb-2026



THOMSON REUTERS™

© 2026 Thomson Reuters. All rights reserved.