

Decision

Decision No. 11/2026 Issuing the Executive Regulations of the Securities Law

;Pursuant to the Securities Law promulgated by Royal Decree No. 46/2022
And Royal Decree No. 20/2024 establishing the Financial Services Authority and issuing its
;Charter
;And the Executive Regulations of the Capital Market Law issued by Ministerial Decision No. 1/2009
;And the Regulations for Real Estate Investment Funds issued by Decision No. 2/2018
;And the approval of the Board of Directors of the Financial Services Authority
;And the approval of the Ministry of Finance
;And in pursuance of the public interest

:It is hereby decided

Article One

.The provisions of the attached Executive Regulations of the Securities Law shall have effect

Article Two

The Executive President of the Financial Services Authority (FSA) shall issue the necessary instructions, forms, and
.circulars to implement the provisions of the Regulations annexed hereto
Until they are issued, the existing instructions, forms, and circulars shall continue in force, provided they do not
.conflict with the provisions of the aforementioned Securities Law and the attached Regulations

Article Three

The addressees of the provisions of the attached Regulations shall, within six (6) months from the date on which these
Regulations enter into force, regularize their status in accordance with their provisions, except for commercial banks
licensed to practice the activities of Operating Entities in the securities field at the time these Regulations enter into
.force, which shall be granted three (3) years to regularize their status

Article Four

The Executive Regulations of the Capital Market Law and the Regulations for Real Estate Investment Funds referred to
.above shall be repealed, except for the provisions regulating crowdfunding platforms
.Any provision that contradicts or conflicts with the attached Regulation shall also be repealed

Article Five

This Decision shall be published in the Official Gazette and shall come into effect on the day following the date of its
.publication

Issued on: 1 Safar 1448 AH
Corresponding to: 16 July 2026

Dr. Khamis Saif Hamoud Al Jabri

Chapter One

Definitions and General Provisions

(Article 1

For the purpose of applying the provisions of these Regulations, the words and expressions contained herein shall have the same meaning stipulated in the aforementioned Securities Law, and the following words and expressions shall have the meanings respectively assigned to them below, unless the context otherwise requires:

- .The Law:** The Securities Law .1
- .Executive President:** The Executive President of the FSA .2
- .Capital Market Institution:** Any of the institutions stipulated in Article (14) of the Law .3
- Operating Entity:** The company licensed to practice one or more of the activities stipulated in Article (21) .4
of the Law or the activities stipulated in these Regulations
- Board of the Operating Entity:** The board of directors of the operating entity or its board of managers, as .5
the case may be
- .Licensed Entity:** Any of the capital market institutions or the operating entities .6
- Stock Exchange:** The stock exchange or the small and medium enterprises stock exchange licensed by the .7
Board
- Prospectus:** A written document containing all data, terms, information, projections, and provisions relating .8
to the issuance of securities
- Rights Issue:** The right of the investment unit holder to subscribe to a number of units for the capital increase .9
of a closed-ended collective investment fund, in proportion to the number of units held by them on the record
date
- Rights Holders:** Unit holders registered in the registers of the closed-ended collective investment fund on the .10
record date, maintained by the depository or the fund's administrator, who have the right to subscribe to the
Rights Issue or waive it within the specified period
- .Trading:** The buying and selling of securities or shares listed on the exchange .11
- Service provider:** The legal person licensed or approved by the FSA providing services to collective .12
investment funds for a fee, pursuant to a contract concluded with the fund
- Material information:** Information the disclosure of which has an impact on the price of the security, the .13
investment decisions of those trading in it, trading trends on the exchange, or which affects the financial
position or performance of the security
- Insiders:** Any person who has access to undisclosed material information, within the issuing entity, by virtue of .14
their position or job, including their spouse and first-degree relatives, and any person who obtains such
information through their relationship with the person possessing the information, whether a family, personal,
business, contractual, or organizational relationship
- Related Party:** A person who is deemed a related party in the cases specified in the corporate governance .15
principles established by the FSA
- Electronic Disclosure System:** The system established by the FSA for publishing data and information .16
required to be published by the Law and these Regulations

(Article 2

.It is prohibited to combine the practice of activities licensed by Law and these Regulations with any other activities

By way of exception, banks may combine their licensed commercial activities with the activity of custodian, and underwriting. If they wish to practice the other activities stipulated in the Law or these Regulations, this must be done .through an operating entity wholly owned by the bank

In all cases, an operating entity licensed to practice more than one of the activities stipulated in the Law and these .Regulations shall separate the operations of those activities in a manner that ensures avoidance of conflict of interest

(Article (3

Entities subject to the provisions of the Law shall retain the documents, instruments, and records related to the operations they undertake for a period of ten (10) years, calculated from the date of completion of the transaction or .the decision not to execute it

(Article (4

All documents, instruments, records, and registers submitted to the FSA within the scope of application of the provisions of the Law and these Regulations shall be written in the Arabic language, and may be accompanied by the .English language or any other language determined by the FSA

(Article (5

The Licensed Entity shall issue all regulations and decisions necessary to practice its activities and achieve its objectives, ensuring compliance with laws, regulations, and instructions, and avoiding conflicts of interest. These :regulations shall include, at a minimum, the following

1. The organizational structure of the Licensed Entity, which shall clarify the authorities, tasks, and responsibilities relating to the executive management and the various functions in the licensed entity, and the .reporting mechanism
2. .Work manuals, operational regulations, and internal rules regulating the licensed activities
3. .Emergency policies and plans, and business continuity monitoring
4. .The documentary cycle to be followed in the execution of its business
5. .The levels and authorities relating to the approval of expenses and expenditures
6. .Policies relating to procurement and service contracts
7. Human resources policies, including salaries, recruitment, development, training, promotions, termination .of services, and other related aspects
8. .(The replacement policy for approved positions (succession plan
9. .Risk management and compliance policy, and the mechanism for dealing with related parties
10. Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) procedures, and the .mechanism for reporting violations and suspicious cases
11. .Information security and confidentiality procedures
12. .Investment policies
13. .Rules of professional conduct
14. Policies and procedures for considering and resolving consumer complaints or reporting violations, and the .dispute settlement mechanism
15. .Any other matters determined by the FSA

The Board of the Licensed Entity shall also review the effectiveness and adequacy of the regulations, .procedures, policies, and internal control systems stipulated in this Article at least once a year

(6) Article

Upon appointing its chief executive officer (CEO) or equivalent, compliance officer, or financial manager, the licensed entity shall obtain the approval of the FSA. The board of the Licensed Entity must verify that these persons possess the necessary qualifications, skills, and experience according to the tasks assigned to them

(Article (7

The Board of the Licensed Entity shall make all possible efforts to ensure that all its employees, agents, and other representatives are of good character and integrity, comply with its rules of professional conduct, and are appropriately qualified to perform the tasks assigned to them, and that they receive the training and professional qualifications that enable them to perform their duties

(Article (8

The compliance officer shall submit the reports they prepare to the executive management in the licensed entity, providing its board of directors or audit committee with copies of such reports. In all cases, they must comply with internationally recognized standards when performing their duties

(Article (9

The compliance officer in the Licensed Entity shall ensure its compliance with the requirements stipulated in the Law, these Regulations, and the implementing decisions thereof, in particular the following

1. Acting as a liaison between the Licensed Entity and the FSA
2. Cooperating with the employees of the FSA when auditing the Licensed Entity
3. Working to ensure that the decisions and procedures taken within the Licensed Entity are consistent with the issued laws and regulations governing its activities
4. Notifying the board of the Licensed Entity and the FSA immediately upon discovering a violation of regulatory requirements, taking the necessary actions in respect thereof, and avoiding its recurrence
5. Ensuring that all reports required by the FSA are prepared correctly and submitted on the specified date
6. Ensuring the adequacy of internal regulations and control-related procedures and verifying their implementation
7. Advising senior management on controlling financial risks, market and credit risks, and the operations undertaken by the Licensed Entity
8. Maintaining written records evidencing the performance of their duties
9. Ensuring that training and educational programs are held for the employees of the Licensed Entity regarding legal requirements and AML/CFT, and ensuring they are informed of any amendments thereto
10. Preparing and providing the FSA with a compliance report annually in accordance with the form prepared by the FSA
11. Reviewing consumer complaints and assisting in finding solutions for them
12. Supervising the implementation of anti-money laundering and combating the financing of terrorism procedures in accordance with the applicable legislation
13. Monitoring the licensed entity's compliance with its succession plan, and notifying the FSA of any amendments made to it after its approval by the board of the licensed entity

(Article (10

The FSA may permit the testing of modern financial technologies in services and products relevant to the provisions of the Law and these Regulations for which no legislation has been issued, in accordance with the directives determined by

(Article (11

No person may engage or participate in any conduct that prevents the FSA from exercising its powers to implement the provisions of the Law and these Regulations, whether by refraining from providing information or documents, providing false or misleading information, refraining from providing assistance regarding an investigation conducted by the FSA, or failing, without an acceptable excuse, to appear before the FSA at the specified time and place after being officially notified three (3) days prior to the date of appearance

(Article (12

The fees charged by the FSA for the services it provides under the Law and these Regulations shall be determined in accordance with the appendix attached to these Regulations

(Article (13

The FSA shall establish the governance principles regulating the activities of the entities subject to the provisions of the Law

(Article (14

The Licensed Entity may establish branches after obtaining the approval of the FSA, and the Operating Entity shall be responsible before the consumer and the FSA for the activities carried out by its branches

Chapter Two

Capital Market Institution

Part One

General Provisions

(Article (15

No entity may practice any of the activities of Capital Market Institutions in the Sultanate of Oman except after obtaining a license from the FSA

(Article (16

A Capital Market Institution shall have sufficient capital, an effective governance system, secure technical and operational systems, business continuity and risk management plans, and other requirements mandated by these Regulations in accordance with the standards determined by the FSA

(Article (17

The Capital Market Institution shall be subject to the supervision of the FSA, and shall submit periodic quarterly financial and operational reports on its activities

Part Two

Licensing

(Article (18

:To be licensed, the Capital Market Institution shall fulfil the incorporation requirements, in particular the following

.1 It shall have a head office in the Governorate of Muscat

.2 :The paid-up capital and shareholders' equity for each separate activity shall not be less than the following

.(a. Stock Exchange institution: □10,000,000 (Ten Million □

.(b. Depository institution: □5,000,000 (Five Million □

.(c. Clearing institution: □3,000,000 (Three Million □

(d. Settlement institution: □3,000,000 (Three Million □

(e. Central counterparty: □4,000,000 (Four Million □

(Article (19

The application to obtain the initial approval for licensing to practice any of the activities of capital market institutions :shall be submitted to the FSA on the form prepared for this purpose, accompanied by the following data and documents

The authorization issued by the founders or the members of the board of directors of the Capital Market .1
.Institution to those who act on their behalf to undertake the procedures for obtaining the license

The ownership structure of the applicant, including the names, nationalities, and ownership percentages of the .2
.founders in the company's capital, and the chain of ownership structures for corporate founders

Evidence that none of the founders has had a judicial ruling of bankruptcy issued against them, or a criminal .3
conviction for a felony or misdemeanor involving dishonesty or breach of trust, or a penalty for one of the
crimes stipulated in the Commercial Companies Law or the Law, during the five (5) years preceding the
submission of the application, unless they have been rehabilitated. This provision applies to any change
.occurring to members or partners appointed thereafter

.A statement of the activities intended to be practiced and the proposed capital .4

A business plan comprising the scope of work of the entity applying for the license, potential client categories, .5
expected services to be provided, any potential or expected investment risks, and the measures to deal with
.them

A declaration, on the form prepared for this purpose, stating that the entity possesses the sufficient expertise, .6
electronic systems, and financial and operational systems, as well as other necessary requirements to fulfill the
.obligations of the activities subject to the license application

.Evidence of payment of the prescribed fee .7

.Any other data or documents requested by the FSA .8

(Article (20

The FSA shall review the application, verify the fulfilment of all required documents and data, and issue its initial approval on the application within fifteen (15) working days from the completion of all required documents and data. The procedures for registration in the Commercial Register and all legally prescribed licensing procedures must be completed within a period not exceeding six (6) months from the date of approval; otherwise, this approval shall be deemed null and void

(Article (21

The application to obtain the final approval for licensing shall be submitted on the form prepared for this purpose, :accompanied by the following documents and data

.A copy of the certificate of registration in the Commercial Register .1

A statement of the members of the board of directors of the Capital Market Institution and the executive .2
management, and their qualifications and experience, including the compliance officer and the financial
.manager

A declaration issued by the members of the board of directors of the Capital Market Institution and the .3
members of the executive management stating their good reputation, and that no judicial rulings of bankruptcy or
a criminal conviction for a felony or a crime involving dishonesty or breach of trust, or a penalty for one of the
crimes stipulated in the Commercial Companies Law or the Law have been issued against any of them during the
five (5) years preceding the submission of the application, unless they have been rehabilitated. This provision
applies to any change occurring to the members of the board of directors or the members of the executive
.management appointed thereafter

A statement fulfilling the minimum number of employees, their academic qualifications, and practical .4
.experience in accordance with what is determined by the FSA

An unconditional bank guarantee issued by one of the licensed banks in the Sultanate of Oman equivalent to one .5

percent (1%) of the required capital. The Board may, by a decision, increase the value of the bank guarantee
.whenever the public interest so requires

.A professional indemnity insurance policy .6

.Evidence of appointing an auditor from the firms approved by the FSA .7

Evidence of the availability of the financial and electronic systems necessary to practice the activities subject
.to the license application .8

A copy of the regulations, policies, and procedures regulating the business of the company, approved by the
.members of the board of directors or the authorized persons in the executive management, as the case may be .9

.Payment of the prescribed fee .10

The FSA shall review the license application and decide on it within fifteen (15) working days from the date of
.completion of all documents and data, and the license shall be issued by a decision of the Executive President

.The lapse of this period without a response shall be deemed a rejection of the application

The FSA may grant the licensee a specified period to complete certain documents and data after obtaining the license;
otherwise, the license shall be deemed cancelled from the date of expiry of that period without completing the data and
.documents

The license term shall be one year and shall be renewed for a similar period or periods after payment of the prescribed
.fee

(Article (22

:The FSA may suspend or cancel the license of any of the Capital Market Institutions in the following cases

.If it loses any of the licensing conditions .1

If it breaches any of its obligations prescribed under the Law, these Regulations, or any legislation issued by
.the FSA .2

If it commits an act that threatens the stability of the market, the financial system, or the protection of
.consumers .3

Part Three

Obligations of Capital Market Institutions

(Article (23

The Capital Market Institution shall practice the licensed activity with due care and diligence in accordance with the
provisions of the Law, these Regulations, and the decisions issued in implementation thereof, taking into account the
commercial customs in this regard, the principles of honesty, integrity, fairness, equality, and the confidentiality of
data and information, while avoiding conflicts of interest in conducting business and refraining from unlawfully
.exploiting the business, directly or indirectly

(Article (24

:The Stock Exchange shall, in particular, be obligated to do the following

.Operate, regulate, and manage the risks of the securities trading service .1

Surveillance of trading operations, and refer any violation of the provisions of the Law and these Regulations it
.detects to the FSA .2

.Manage, publish, and sell the trading data in its possession .3

Manage the securities listed on the Stock Exchange through the process of listing, delisting, or
.reclassification .4

.Create, calculate, review, and publish various indices .5

Receive, follow up on, publish, and request clarification for the disclosures of listed entities in accordance .6

- .with the disclosure requirements issued by the FSA
- Issue and manage various types of news and alerts for the public, listed entities, and participants in the Stock .7
Exchange
- .Establish and manage the operational requirements for market makers and liquidity providers .8
- .Establish and manage the rules for registering individual brokers .9
- .Establish and manage the operational requirements for margin financing activity .10
- Establish and manage the professional certification program for the employees of companies operating in the .11
.field of securities

(Article (25

:The depository institution shall, in particular, be obligated to do the following

- Open and manage investors' accounts, including omnibus accounts, and retain the personal data details of these .1
.investors in accordance with regulations and directives approved by the FSA
- Register and transfer the ownership of the securities it holds to the name of the transferee upon receipt of the .2
.appropriate information, in accordance with the forms and verification procedures it prepares for this purpose
- Maintain an electronic register of the owners of securities issued in the Sultanate of Oman which it is .3
permitted to hold under the Law and other laws in force in the Sultanate of Oman, along with the rights
pertaining to them, and issue international numbering codes for them in accordance with the requirements of the
(Association of National Numbering Agencies (ANNA
- Exchange the required information and records with the issuer, Operating Entities in the securities field, and .4
.any other entity approved by the FSA
- Record all transactions and legal dispositions, including pledges, attachments, and others, carried out on the .5
.securities registered with it
- .Develop and manage a platform for managing general meetings .6
- Manage the distribution of cash dividends for the securities whose registers it maintains, and the capital .7
.structuring operations for the issuing entities
- .Provide the electronic systems for managing subscription operations in the primary market .8
- .Accept and register participating members in accordance with the specified criteria for obtaining membership .9
- .Provide the services of an agent for Sukukholders and bondholders .10
- .Execute transfer operations exempted from the trading system .11
- .Manage, publish, and sell the data and statistics in its possession .12
- Handle corporate actions for the issuer whose registers it maintains, such as mergers and acquisitions, capital .13
.increases and decreases, stock splits and consolidations, and others

(Article (26

:The clearing institution shall, in particular, be obligated to do the following

- Carry out the process of transferring, matching, and confirming the payment of obligations or the transfer of .1
.securities between the dealing parties or their agents prior to executing the settlement process
- Execute clearing operations between sell and buy orders for securities, and determine the net financial and .2
.share obligations arising on each party
- Execute the clearing process accurately in accordance with its specified timeframes, and update its records .3
.automatically based on the trading data received from the Stock Exchange
- Provide clearing members with the data related to the executed transactions according to the applicable .4

.mechanism

- Establish technical and operational linkage with the depository institution and the settlement institution to .5
.ensure the smooth flow of post-trade procedures
- Maintain the data and information related to clearing parties, executed transactions, and potential risks in .6
.secure and auditable records

(Article (27

:The settlement institution shall, in particular, be obligated to do the following

- Execute the final settlement process for securities executed on the Stock Exchange through the Delivery .1
.Versus Payment (DvP) system or any other system approved by the FSA
- Lend securities, provided that explicit permission is obtained from their owner, in accordance with its internal .2
.regulations
- Control the pledged assets or collateral deposited with it by consumers regarding any transactions carried out .3
through it, and the right of pledge or collateral shall remain valid with it until the transaction carried out or
.initiated by the relevant consumer is completed
- Use the assets or collateral to settle any claims arising from any transaction carried out by the relevant .4
.consumer
- Verify the linkage process with settlement banks to ensure the receipt of the obligations report for settlement .5
.members at the specified time
- .Verify the receipt of obligations arising on settlement members at the specified time .6
- Verify the integrity of the linkage with the payment systems at the Central Bank of Oman for the purposes of .7
.completing the settlement at the specified time
- Coordinate with the Settlement Management Fund's Committee in the event of any deficits in cash settlement .8
.for the purposes of covering the deficit at the specified time
- Transfer the net cash amounts resulting from trading operations to the bank accounts of the participating .9
.members
- Ensure the transfer of securities between the accounts registered with the depository institution based on the .10
.clearing results approved by the clearing institution
- Verify the matching of transaction data with the records of the depository and clearing institutions, and .11
.immediately correct any discrepancies in coordination with the relevant entities
- .Record all settlement operations carried out on securities in accurate and updated electronic records .12
- .Retain the documents and records proving the execution of financial settlements and the movement of funds .13

(Article (28

:The central counterparty shall, in particular, be obligated to do the following

- .Act as an intermediary between the two dealing or contracting parties in one or more stock exchanges .1
- .Determine the operations through which clearing will be executed .2
- .Determine the forms and criteria for margin requirements .3
- .Determine the categories, conditions, and rules of membership .4
- .Determine the collateral that members must provide and the mechanism for managing and monitoring it .5
- .Determine the account structure and account types .6
- .Guarantee the settlement of transactions executed between the parties .7
- Manage counterparty risks using tools such as initial margin, variation margin, default margin, additional .8
.margin, concentration margin, and others

- Manage the amount of cash collateral provided by members, as well as other collateral such as securities and bank guarantees, including the operations of calling, depositing, withdrawing, and transferring such collateral .9
- Establish and manage a default fund to cover any losses that exceed the losses covered by margin requirements .10
- Determine the point at which settlement becomes final .11
- Apply close-out netting mechanisms in the event of default by any party .12
- Conduct periodic stress testing and scenario analysis to assess the adequacy of collateral .13
- Determine the cases in which a member is considered in default, including cases of financial and operational default, and the mechanism for dealing with them .14

(Article (29

:Any of the Capital Market Institutions shall be prohibited from doing the following

- Allowing its employees to hold a membership on the board of directors or assume a position in any collective investment fund, public joint-stock company, or any of their related parties .1
- Allowing any person to own more than five percent (5%) of the voting shares without obtaining the approval of the FSA. The term "person" herein means the natural person, their spouse, and their relatives up to the first degree, and the commercial companies in which they own twenty percent (20%) or more of the voting shares, or the legal person in which they own twenty percent (20%) or more of the voting shares .2

Part Four

Disclosure of Capital Market Institutions

(Article (30

:A Capital Market Institution shall notify the FSA immediately upon the occurrence of any of the following

- The resignation of any member of the board of directors .1
- The opening or closing of any branch of the institution .2
- Its inability, due to the occurrence of an emergency event or exceptional circumstances, to operate its primary electronic systems or any of its facilities, or to provide its services during official working hours .3
- Changing the external auditor or terminating their service .4
- Any attachment or pledge on its assets .5
- Any sudden material losses that have affected its financial position, along with a statement of the reasons .6
- Any lawsuit filed by or against it which has an impact on its financial position or its continuity .7
- The termination or end of service of the compliance officer, the internal auditor, or any of the senior management employees .8

(Article (31

:Trading by the employees of any of the Capital Market Institutions shall be in accordance with the following rules

- Obtaining prior approval from the CEO of the Capital Market Institution or their equivalent .1
- The employees and members of the board of directors notifying the compliance officer of all their accounts on the Stock Exchange, as well as those of their spouses, minor children, companies, and sole proprietorships; they must also provide the compliance officer with any additional information requested regarding those accounts .2
- The compliance officer examining and reviewing the transactions carried out by the employees to ensure their compliance with legal requirements .3

Part Five

Regulation and Supervision

(Article (32

The Capital Market Institution shall be obligated to prepare unaudited quarterly financial statements for the first, second, and third quarters of its financial year, publish them on its website, and submit them to the FSA in accordance with the form it determines, within a period not exceeding forty-five (45) days from the end date of the relevant quarter. It must also prepare annual financial statements audited by one of the audit firms approved by the FSA in accordance with the requirements of the FSA and the International Financial Reporting Standards (IFRS), publish them on its website, and submit them to the FSA within a period not exceeding sixty (60) days from the end of the financial year or fourteen (14) days prior to the date of convening the annual general meeting

(Article (33

The Capital Market Institution must provide the FSA with a capital adequacy report on a quarterly basis within thirty (30) days from the end of each quarter

It must also provide the FSA with this report on an annual basis within a period not exceeding two (2) months from the end of the financial year, in accordance with the form prepared by the FSA, provided that it is audited by an external auditor approved by the FSA, and that the report includes their opinion on the availability of a system within the Capital Market Institution that allows ensuring that its capital adequacy does not fall below the required limit

.In all cases, the FSA may request additional capital adequacy reports during the period it specifies

(Article (34

The Capital Market Institution shall be obligated to provide the FSA with a quarterly report, within fifteen (15) days from the end of the quarter, on the risk management system and on the most important developments that have occurred at all operational, technological, administrative, financial, and other key levels

(Article (35

The FSA may, in order to carry out its supervisory and regulatory duties, conduct field visits to any of the Capital Market Institutions, whether on a periodic or unannounced basis, and it may request any data, information, or documents it deems necessary to verify the extent of compliance with the relevant systems, regulations, and instructions

The Capital Market Institution is obligated to cooperate with the employees of the FSA and provide what is requested from it within the period specified by the FSA

Chapter Three

Operating Entities

Part One

Licensing

(Article (36

Operating entities may not practice any of the activities stipulated in the Law or these Regulations except after obtaining a license for that from the FSA

(Article (37

The head office of the Operating Entity must be in the Sultanate of Oman, with the exception of branches of foreign companies

(Article (38

Any entity licensed to undertake any of the following activities shall be deemed among the Operating Entities in the securities field, provided that the capital and equity shall not be less than the minimum limit set forth against each activity, as follows

.1 (Custodian: □3,000,000 (Three Million Omani Riyals

.2 (Product structuring: □1,000,000 (One Million Omani Riyals

- .(Securities portfolio management: □200,000 (Two Hundred Thousand Omani Riyals .3
 - .(Collective investment fund management: □200,000 (Two Hundred Thousand Omani Riyals .4
 - .(Investment manager: □200,000 (Two Hundred Thousand Omani Riyals .5
 - .(Issue management: □200,000 (Two Hundred Thousand Omani Riyals .6
 - Research and advice related to investment and listed securities: □200,000 (Two Hundred Thousand Omani .7
.(Riyals
 - .(Marketing of non-Omani securities: □200,000 (Two Hundred Thousand Omani Riyals .8
 - .(Agent for bondholders, Sukukholders or unitholders: □200,000 (Two Hundred Thousand Omani Riyals .9
 - .(Brokerage: □700,000 (Seven Hundred Thousand Omani Riyals .10
 - .(Market making: □5,000,000 (Five Million Omani Riyals .11
 - .(Margin financing: □200,000 (Two Hundred Thousand Omani Riyals .12
- The licensed Operating Entity requesting to practice more than one activity must fulfill the minimum capital and equity
for each of the activities it requests to practice

(Article (39

:The asset management activity includes practicing the following activities combined

- .Securities portfolio management .1
- .Investment manager .2
- .Product structuring .3
- .Any activities approved by the Board of Directors .4

(Article (40

:The investment banking activity includes practicing the following activities combined

- .Investment manager .1
- .Product structuring .2
- .Securities portfolio management .3
- . Research and advice related to investment and listed securities .4
- .Issue management .5

.In all cases, investment banks may carry out the duties of an underwriter for issues approved by the FSA

(Article (41

:The licensing of branches of foreign companies is limited to practicing one or more of the following activities

- .Research and advice related to investment and listed securities .1
- .Marketing of non-Omani securities .2
- .Issue management .3
- .Any activities approved by the Board of Directors .4

(Article (42

The application for initial approval of the license to practice any of the activities stipulated in Article (38) of these Regulations shall be submitted to the FSA on the form prepared for this purpose, accompanied by the following data
:and documents

- The authorization issued by the founders or the members of the Board of the Operating Entity to their .1

- .representatives to carry out the procedures for obtaining the license
- 2. The ownership structure of the applicant, including the names of the founders, their nationalities, their ownership percentages in the capital of the Operating Entity, and the chain of ownership structures for the founder who is a legal person
- 3. Evidence that no judicial rulings have been issued against any of the founders during the five (5) years preceding the submission of the application declaring bankruptcy, or imposing a penalty for a felony or a misdemeanor involving dishonesty or breach of trust, or a penalty for any of the crimes stipulated in the Law or the Commercial Companies Law, unless they have been rehabilitated, and this provision applies to any change occurring to the members or partners who are appointed thereafter
- 4. A statement of the activities intended to be practiced and the proposed capital, which shall not be less than the limits specified in these Regulations
- 5. A business plan comprising the scope of work of the entity applying for the license, categories of potential clients, expected services to be provided, any potential or expected investment risks, and the measures to deal with them
- 6. A declaration in accordance with the form prepared for this purpose stating that the Operating Entity possesses the expertise, electronic systems, sufficient financial and operational systems, and other requirements necessary to fulfil the obligations of the activities subject of the license application
- 7. Evidence of payment of the prescribed fee
- 8. Any other data or documents requested by the FSA

(Article (43

The FSA shall consider the application and verify the fulfilment of all required documents and data, and it shall issue its initial approval on the application within fifteen (15) working days from the date of completing all required documents and data; the procedures for registering the Operating Entity in the Commercial Register and all legally prescribed procedures for licensing must be completed within a period not exceeding six (6) months from the date of approval, otherwise this approval shall be deemed null and void

(Article (44

The application to obtain the final approval for licensing shall be submitted on the form prepared for this purpose, accompanied by the following documents and data

- 1. A copy of the registration certificate in the Commercial Register
- 2. A statement of the members of the Board of the Operating Entity and the executive management, and their qualifications and experience, including the compliance officer and the financial manager
- 3. The declaration issued by the members of the Board of the Operating Entity working in the executive management stating their good reputation, and that no judicial rulings have been issued against any of them during the five (5) years preceding the submission of the application declaring bankruptcy, or imposing a penalty for a felony or a crime involving dishonesty or breach of trust, or a penalty for any of the crimes stipulated in the Law or the Commercial Companies Law, unless they have been rehabilitated; this provision applies to any change occurring to the members or the executive management employees who are appointed thereafter
- 4. A statement fulfilling the minimum number of employees, their academic qualifications, and practical experience in accordance with what is determined by the FSA
- 5. An unconditional bank guarantee issued by one of the banks licensed in the Sultanate of Oman equivalent to one percent (1%) of the required capital as follows
 - a. Not less than OMR 2,000 (Two Thousand Omani Riyals), and not exceeding OMR 15,000 (Fifteen Thousand Omani Riyals) for the national company
 - b. OMR 50,000 (Fifty Thousand Omani Riyals) for the branch of the foreign company, and the Board may, by a decision, increase the value of the bank guarantee whenever the public interest so requires
 - 6. A professional indemnity insurance policy

- .Evidence of appointing an auditor from the firms approved by the FSA .7
 - Evidence of the availability of the financial and electronic systems necessary to practice the activities subject .8
of the license application
 - A copy of the regulations, policies, and procedures regulating the business of the Operating Entity, approved by .9
the members of the Board of the Operating Entity or the authorized persons in the executive management, as the
case may be, and in particular those referred to in Article (5) of these Regulations
 - .Payment of the prescribed fee .10
- As for the branch of the foreign operating entity, the following documents and data must be attached in addition to the
:aforementioned
- Evidence of the approval of the regulatory authority in the country where the head office of the applicant is .1
located to practice the activities of Operating Entities in the securities field, and that the parent entity is not
subject to any legal proceedings that may affect its financial position or its ability to fulfil the regulatory
requirements of the FSA
 - .A true copy of the license certificate of the parent operating entity in the home country .2
 - A copy of the annual reports of the parent operating entity, including the audited financial statements for the .3
last three (3) years
 - Evidence that the paid-up capital of the parent operating entity and the shareholders' equity are not less than .4
□2,000,000 (Two Million Omani Riyals) according to the latest audited financial statements
 - Evidence of the commitment of the parent operating entity to supervise the branch in the Sultanate of Oman .5
and its compliance with the applicable laws, regulations, and instructions

(Article (45

The FSA shall consider the license application and decide on it within fifteen (15) working days from the date of completing all documents and data, and the license shall be issued by a decision of the Executive President specifying the type of licensed activities

.The lapse of this period without a response shall be deemed a rejection of the application

The FSA may grant the licensee a specified period to complete some documents and data after obtaining the license, otherwise the license shall be deemed cancelled from the date of expiry of that period without completing the data and documents

.The license term shall be one year, and it shall be renewed annually after the payment of the prescribed fee

(Article (46

The FSA shall notify the Capital Market Institutions and the concerned parties with a copy of the license of the Operating Entity, and in all cases, the FSA shall undertake making the license available to the public through appropriate means

(Article (47

The Operating Entity shall practice the activities licensed to it within thirty (30) days from the date of obtaining the license, and this period may be extended for a similar period based on justifications acceptable to the FSA

(Article (48

The Operating Entities and their branches, or the branches of the licensed foreign operating entity, shall be registered in a special register at the FSA, and each entity shall be given a serial number specifying the type of activity or activities it is licensed to practice, and it includes data on the Operating Entity, its capital, members of its Board of Directors, managers, employees, and its affiliated branches. Each Operating Entity that has been licensed shall be handed a certificate to that effect specifying the type of activities it is licensed for, and the Operating Entity shall be obligated to place the certificate in a prominent place in all its premises and offices

Part Two

Suspension and Cancellation

(Article (49

:The FSA may, based on a request from the Operating Entity, take any of the following measures

1. Suspend any of its activities for a temporary period, provided that the suspension period does not exceed twelve (12) months, and it is not permissible to submit another suspension request except after the lapse of five (5) years from the approval of the last submitted request
2. Cancel the license of one or more activities it is licensed to practice
3. Cancel its license

(Article (50

The Operating Entity must, in the event of its desire to suspend or cancel any of its activities, or cancel the license, submit a request to that effect to the FSA in accordance with the form prepared for this purpose, accompanied by the following

1. A copy of the minutes of the meeting of the Board of the Operating Entity or the board of directors, as the case may be, or their equivalent, regarding their approval of the request, with a statement of the reasons and justifications for that
2. A plan for fulfilling the existing obligations of the Operating Entity towards the FSA or the consumers
3. Any other documents or data requested by the FSA

(Article (51

The Operating Entity must, prior to the final approval of the request to suspend or cancel the activity or cancel the license, provide the FSA with a report prepared by an auditor approved by the FSA on the extent of the Entity's compliance with the implementation of the obligation fulfilment plan, provided that the report includes at a minimum the following details, taking into account the nature of the activity and its requirements

1. The Operating Entity notifying its clients of the decision and coordinating with them in the event of their desire to transfer their accounts to another Operating Entity
2. The reconciliation of the consumers' assets held in the Operating Entity's accounts with the bank accounts and share accounts held at the depository institution, and the discrepancies and their causes, if any
3. The transfer of all assets held by the Operating Entity to the consumers' bank accounts, and the details of the assets that must be transferred to the Investor Trust Fund in the event it is not possible to transfer them to their owners, with a statement of the reason
4. The transfer of all securities belonging to the consumers to their main accounts at the depository institution
5. The payment of all financial obligations due and payable up to the date of suspension or cancellation to each of the FSA, the Capital Market Institutions, the Omani Securities Association, as well as any other obligations
6. The settlement by the Operating Entity, in the case of a cancellation request, of all claims and complaints filed against it or against any of its employees by the consumers, and the details of the claims and complaints that have not been settled, if any

(Article (52

The FSA shall consider the suspension or cancellation request and decide on it within fifteen (15) working days from the date of completing all the documents and data stipulated in Articles (50) and (51) of these Regulations, and issue its

decision regarding the suspension or cancellation; the lapse of the period without a response shall be deemed a rejection of the request

(Article (53

The FSA may suspend or cancel the license of the Operating Entity for its violation of the provisions of the Law or these Regulations or the decisions issued in implementation thereof, and in particular in the following cases

- .1 .If it loses any of the licensing conditions
- .2 .The failure of the Operating Entity to practice the activity licensed to it within six (6) months
- .3 .In the event the Operating Entity's bankruptcy
- .4 .If it commits an act that threatens the stability of the market, the financial system, or the protection of consumers

In the event of cancellation of the license of the Operating Entity pursuant to the provision of this Article, the FSA may appoint an auditor from the audit firms approved by it, at the expense of the Operating Entity, to carry out the procedures and obligations stipulated in these Regulations if the Operating Entity fails to comply with that

(Article (54

The FSA shall notify the Capital Market Institutions and the concerned parties with a copy of the decision to suspend the activity or cancel the license, and disclosing it to the public by appropriate means

(Article (55

The Operating Entity shall recover the bank guarantee or the remainder thereof in the event of the cancellation of its license after fulfilling all the financial obligations incurred by it

(Article (56

The Operating Entity may submit a request to the FSA to lift the suspension on practicing the suspended activity prior to the expiry of the specified suspension period, and the FSA shall decide on the request within fifteen (15) working days from the date of its submission; the lapse of this period without a response shall be deemed a rejection of the request

(Article (57

The Operating Entity whose request to suspend any of its activities is approved by the FSA shall not be obligated to pay the annual fees prescribed for the suspended activities during the suspension period

Part Three

Activities of Operating Entities Regulated by the FSA

(Article (58

:When undertaking the activity of a custodian, the following duties shall be performed

- .1 .Hold consumers' securities and funds in separate accounts
- .2 .Comply with the investment rules set out in the Prospectus in respect of collective investment funds, provided that

the custodian shall notify the fund management and the FSA within thirty (30) days in the event of a breach of such .rules

Ensure the safekeeping and safety of securities and the rights attached thereto, including the right to receive .3
dividends, voting rights, and subscription rights, and attend general meetings and vote on behalf of the client in
.accordance with their instructions and in a manner that serves their interests

.Provide direct protection to the consumer independently of their relationship with any other Operating Entity .4

.Ensure the accuracy of transactions executed by the Operating Entity licensed to practice the brokerage activity .5

Receive, hold, and pay consumers' funds to settle transactions executed in securities, whether listed or unlisted on .6
.the Stock Exchange

Carry out any other work related to the activity of a custodian in accordance with the agreement concluded with the .7
.consumer

(Article (59

:The Operating Entity licensed to undertake the activity of a custodian shall be obligated to do the following

Not dispose of the securities or cash held in its custody except in accordance with the provisions of these .1
.Regulations and the agreement concluded with the consumer

.Provide the consumer with periodic reports on their securities portfolios and cash accounts .2

Notify the consumer directly of all actions taken by securities issuers concerning the interest, dividends, and rights .3
.accruing to the consumer's securities

.Provide the electronic systems necessary to perform its duties .4

(Article (60

:The securities portfolio management activity includes carrying out the following

Establishing securities portfolios for individuals and legal persons and allocating assets in accordance with the .1
.investment policy agreed with the consumer

Managing the portfolios of individual and institutional clients and monitoring the execution of sell and buy orders for .2
.the benefit of the portfolio

Managing the portfolios of pension funds or sovereign wealth funds in accordance with the consumer's investment .3
policies

.Managing trust accounts .4

.Rebalancing the portfolio based on market changes and the consumer's objectives .5

(Article (61

The Operating Entity licensed to undertake the securities portfolio management activity shall be obligated to do the
:following

Implement the investment objectives and policy agreed with the consumer, and monitor and oversee actual .1
performance

Not provide any false or exaggerated data or information concerning any existing or potential investments for .2
.directing the consumer to make decisions that serve the interests of the Operating Entity

Conclude a contract with the consumer in accordance with the form prepared by the FSA, provided that the contract .3
:shall specify, in particular, the following

a. The nature of the transactions in respect of which the company has discretion and those for which it must obtain
authorization from the client, the conditions for operating the portfolio account, the fees charged by the Operating
.Entity, the place where the securities are held, and the periodic reports

b. A clause stipulating the right of the client or the company to terminate the contract at any time after notifying the
.other party. The company shall receive the fees for the period during which the portfolio was managed

c. The mechanism for delivering the components of the investment portfolio, including assets, securities, and funds
.held, to the consumer or to any party involved in its management or custody

Provide the consumer with a periodic statement of account showing the basic details of their investment portfolio in .4
.accordance with the contract concluded with them

Not invest the funds of securities portfolios in collective investment funds that it manages, if it is licensed to .5
.undertake the activity of an investment manager, except after obtaining prior approval from the consumer

Exercise due care and diligence in assessing the financial position of the companies and assets in which it invests the .6
consumer's funds and in managing such funds in accordance with the consumer's investment policy, and not use such
.funds to influence the prices of securities on the Stock Exchange

Not use the investment portfolios that it manages for the benefit of the consumer for purposes other than those .7
designated for them, or for its own benefit, particularly for financing purposes in any form, whether by granting loans or

credit facilities or pledging the investment portfolio as security to obtain loans or credit facilities for the benefit of the
.consumer

(Article (62

:The collective investment fund management activity includes carrying out the following

.1 Undertaking the procedures related to the issuance and redemption of investment units

.2 Maintaining and updating the fund's records

.3 Monitoring the dissolution or liquidation of the fund

.4 Managing the fund's governance

.5 Performing the fund's back-office operations

(Article (63

The Operating Entity licensed to undertake the collective investment fund management activity shall be obligated to do
:the following

.1 Settle the collective investment fund's contractual obligations with the entities contracting with it

.2 Calculate the Net Asset Value (NAV), Net Realizable Value (NRV), and the issue and redemption prices of the units

.3 Carry out the procedures related to the issuance and redemption of investment units

.4 Calculate and pay dividends to investors in the collective investment fund

.5 Calculate the collective investment fund's accrued expenses and income, and its profits, and prepare quarterly and
.annual financial statements

.6 Settle daily trading operations and carry out bank reconciliations

.7 Monitor the dissolution or liquidation of the collective investment fund

(Article (64

:The Operating Entity licensed to undertake the activity of an investment manager shall be obligated to do the following

Manage the investments of collective investment funds in accordance with the Prospectus and the articles of .1
.association of the fund concerned

Assess the financial position of the companies and assets in which the collective investment fund's assets are .2
.invested

Coordinate with the Operating Entity licensed to undertake the collective investment fund management activity and .3
.provide it with all data relating to the valuation of the collective investment fund's assets

Disclose to unitholders the data relating to the collective investment fund's activities, its dividend distributions, and .4
.any other data relating to it

Make investment or other decisions in a manner that serves the interests of the collective investment fund and .5
.investors

Accurately record all purchase and sale transactions executed for the benefit of the collective investment fund in .6
.chronological order, including their execution times

Provide an accounting system to track and examine all transactions relating to the collective investment fund's .7
investments or reconcile them with the cash accounts and securities registered in the name of the collective investment
fund with the custodian

.Provide sufficient liquidity for the collective investment fund to meet any obligations it may incur .8

.Take the necessary measures to protect the collective investment fund's assets against any risks .9

Notify the FSA and unitholders of any material information or the occurrence of events affecting the interests of .10
.the unitholders of the fund under management

(Article (65

:The Operating Entity licensed to undertake the issue management activity shall carry out the following

Undertake the duties relating to the initial issuance of all securities offered in the market and be responsible to the .1
FSA and the public for ensuring that the legal requirements for such issues are fulfilled until the securities are listed on
.the Stock Exchange

.Coordinate between the FSA, the depository institution, and the entities licensed to receive subscription applications .2

Prepare the Prospectus in accordance with the form prepared for this purpose and submit it to the FSA after it has been reviewed and approved by the issuer and its legal adviser. The Operating Entity shall be responsible for the data and information contained in the Prospectus .3

.4 Manage and organize the securities issuance process

.5 Provide advice to issuers on the structuring of issues, acquisitions and mergers, offering terms, or strategies for attracting investors

.6 Ensure that the issuer fulfils all requirements necessary for the issuance of securities in accordance with the instructions issued by the FSA

.7 Provide the FSA with periodic reports on subscription results during the securities issuance process

.8 Undertake any other duties or responsibilities required by the securities issuance process

(Article (66

The activity of Research and advice related to investment in listed securities on the Stock Exchange includes carrying out the following

.1 Valuing securities

.2 Preparing and publishing studies and research reports, analytical financial reports, and other similar reports

.3 Providing a financial news service

.4 Preparing research relating to investment in securities listed on the Stock Exchange based on the consumer's requirements

.5 Providing advice to the consumer on holding, buying, or selling securities listed on the Stock Exchange, or subscribing to securities

.6 Undertaking any other duties or responsibilities required for the activity of research and advice related to investment in listed securities, as determined by the FSA

(Article (67

The Operating Entity licensed to undertake the activity of Research and advice related to investment in listed securities shall, when undertaking such activity, be obligated to do the following

.1 Notify the consumer if it, any of its employees, or any person connected with it has an interest in the security .1

2 Confirm to the consumer that the reports, recommendations, research, and advice it issues constitute a technical .2
.opinion

.3 Specify the estimation and valuation methodology used and the assumptions and comparisons relied upon .3

.4 Notify the consumer of the risks associated with implementing the recommendations set out in the reports it issues .4

.5 Not include any incorrect or misleading information or data in the reports, recommendations, research, and advice it .5
.issues

.6 Not receive any funds, directly or indirectly, from consumers for their investments in securities .6

(Article (68

Publication in any visual or written media shall not be considered part of the activity of research and advice related to investment in listed securities, provided that the purpose of such publication is to provide information or general analysis of markets and securities and that it is not accompanied by a recommendation relating to trading in specific .securities

(Article (69

Except in respect of securities issued through a public offering in the member states of the Cooperation Council for the Arab States of the Gulf, the Operating Entity licensed to undertake the activity of marketing non-Omani securities shall :be obligated to do the following

.1 Marketing and providing advice on securities and financial products issued by entities outside the Sultanate of Oman .1
(and regulated by regulators in member countries of the International Organization of Securities Commissions (IOSCO

.2 Provide investors with information relating to the securities, including the approved Prospectus and any amendments .2
.thereto, as well as the risks associated with such securities

.3 Not provide incorrect or misleading information or use methods involving fraud, deceit, or the concealment of .3
.material data or information

.4 Not use the media to market securities .4

.5 Market securities to consumers with experience in securities markets, provided that such experience is evidenced in .5
.the form submitted by the consumer to the Operating Entity

Obtain evidence that the consumer has reviewed all documents relating to the security and is aware of and understands .6
.the rewards and risks associated with the security

.Not receive any funds, directly or indirectly, from consumers for their investments in securities .7

Maintain a detailed register of the names of consumers with experience in securities market activities who have .8
subscribed to the security, provided that the register shall also include the documents, data, and information relating to
.such consumers

.Fulfil any other requirements necessitated by the activity of marketing non-Omani securities .9

(Article (70

The Operating Entity licensed to undertake the product structuring activity shall develop, manage, and distribute structured products based on securities, indices, or any product that may be offered and traded on any stock exchange. It may also establish special purpose vehicles (SPVs), use financial leverage and securitization tools, and use its financial statements in furtherance of its principal purpose. The FSA shall establish the other regulatory controls necessary to undertake this activity, taking into account the regulations issued by the Central Bank of Oman in relation to the securitization of loans granted in accordance with the provisions of the Banking Law

(Article (71

The Operating Entity licensed to undertake the activity of an agent for bondholders, Sukukholders or unitholders shall monitor the fulfilment by the issuer or beneficiary entity and the special purpose vehicle of their obligations set out in the Prospectus, protect the interests of bondholders and Sukukholders, and take all precautionary measures to safeguard :the rights of bondholders or Sukukholders. In particular, it shall carry out the following

.Request any reports or information relating to its duties from the issuer, beneficiary, or special purpose vehicle .1

Examine the accounting books and records, assets, documents, and reports relevant to the credit rating of the issuer, .2
.beneficiary, or special purpose vehicle

.Ensure that the issuer, beneficiary, or special purpose vehicle pays the returns due to beneficiaries on the due date .3

Monitor the issuer or beneficiary entity's compliance with the conditions relating to the provision of the necessary .4
collateral, and ensure that the collateral provided is sufficient to satisfy the claims of bondholders or Sukukholders
.when due and that enforcement against such collateral is possible where necessary

Verify compliance with the provisions of the Prospectus in the event of the redemption of bonds or Sukuk, or their .5
.conversion into shares, units, or ownership interests

.Ensure that the proceeds from the sale of bonds or Sukuk have been used as specified in the Prospectus .6

Verify that no changes are made to the fundamental terms and conditions of bonds or Sukuk without the prior .7
.approval of the general meeting of bondholders or Sukukholders

Notify the board of directors of the issuer or beneficiary entity of all resolutions adopted by the general meeting of .8
.bondholders or Sukukholders

.Represent bondholders or Sukukholders in relation to the issuer, beneficiary, or third parties .9

.Preside over the general meetings of bondholders or Sukukholders .10

Bring the lawsuits approved by the general meeting of bondholders or Sukukholders in its name, for the purpose of .11
.safeguarding the common interests of bondholders or Sukukholders

Part Four

Obligations of Operating Entities

(Article (72

:The Operating Entity shall be obligated to do the following

Appoint an auditor from among the audit firms approved by the FSA for a term of one (1) financial year. The .1
appointment may be renewed, provided that the period of appointment does not exceed four (4) consecutive financial
years. Upon expiry of this period, the same auditor may not be engaged again until two (2) financial years have elapsed
.in the case of public joint-stock companies and one (1) financial year in the case of all other companies

Not hold an ownership interest in another Operating Entity undertaking the same activity for which it is licensed, .2
except for ownership interests in Operating Entities listed on the Stock Exchange, provided that such ownership does
.not exceed ten percent (10%) of the capital of the entity concerned

.Ensure that its liabilities do not, at any time, exceed two hundred percent (200%) of its net assets .3

Not knowingly buy or sell securities that are subject to a dispute, or pay the value of securities before the sale .4
.transaction is executed

Provide facilities for opening accounts, trading, and conducting transactions through modern electronic means and .5
.artificial intelligence, in accordance with the rules issued by the Stock Exchange following approval by the FSA

Not charge the consumer any fee or consideration of any kind for services that it has advertised as being free of .6
.charge

.Not exploit any undisclosed information. This obligation shall also apply to its Related Parties .7

Maintain a watch list of securities in respect of which it possesses undisclosed information, and take the necessary .8
.measures to ensure that such information is not used

Inform the consumer in advance, before entering into a contract with them, of the nature of the services it provides, .9
.the associated risks, and the commissions and expenses the consumer will incur as a result of dealing with it

Classify all information and orders relating to clients as confidential and handle them accordingly, and restrict the .10
.use of the information and data in its possession to the purpose for which they were obtained

.Ensure that the information and data in its systems are accessed or modified only by persons authorized to do so .11

.Not publish any misleading or incorrect data or information, whether through the media or by any other means .12

Update all data and information relating to it, including details of the members of its board of directors, its licensed .13
.activities, and its employees, as well as all other documents, in the FSA's electronic system

(Article (73

:Trading by employees of the Operating Entity shall be in accordance with the following rules

Trading shall be conducted through the Operating Entity in which the employee works, and the employee shall .1
disclose the trading account to it. This provision shall also apply to partners and members of the board of directors of
.the Operating Entity

.Prior approval shall be obtained from the CEO or general manager of the Operating Entity, or their equivalent .2

Employees, partners, and members of the Board of the Operating Entity shall notify the compliance officer of all .3
their accounts on the Stock Exchange, as well as those of their spouses, minor children, companies, and sole
proprietorships. They shall also provide the compliance officer with any additional information requested regarding
.those accounts

The Operating Entity shall notify the Stock Exchange of all trading accounts of the categories specified in item (3) of .4
.this Article

The compliance officer shall examine and review the transactions carried out by employees to ensure their .5
.compliance with legal requirements

The Operating Entity shall maintain a register of transactions carried out by its employees, and the compliance .6
.officer shall review this register on an ongoing basis

(Article (74

:The Operating Entity shall segregate the consumer's funds from its own funds in accordance with the following rules

The consumer's funds shall be deposited in one or more bank accounts separate from the Operating Entity's accounts .1
and designated as the "Consumer Account". The consumer's funds shall include amounts received from the consumer for
purchases, funds received from brokers in settlement of the consumer's sales, and dividends received on the consumer's
behalf. In all cases, such funds shall neither be affected by nor be subject to any claims arising from the liquidation or

The funds deposited in the consumer's account shall be used to settle obligations due to the Stock Exchange and other .2
.brokers arising from purchases made for the consumer's account

If the consumer does not have a sufficient balance to cover their obligations, or if a cheque issued by the consumer is .3
.returned unpaid, the deficit in the consumer's account shall not be covered using other consumers' funds

The Operating Entity shall not lend the funds deposited in the consumer's account or use them for any other .4
.transactions or purposes, nor shall it pledge such funds or use them as security

The Operating Entity shall periodically transfer the commissions and fees it receives from the consumer to its own .5
.bank account

The audited and unaudited reports on the Operating Entity's accounts shall include the amounts receivable from the .6
.consumer and the amounts deposited in the consumer's account

The Operating Entity shall not collect interest from the consumer on amounts due to it unless it is licensed to .7
.undertake the margin financing activity

(Article (75

:The Operating Entity shall segregate the securities it holds from other securities in accordance with the following

The Operating Entity shall not hold securities belonging to consumers in its own name unless its license permits it to .1
do so and the arrangement is governed by a contract signed by the consumer and by the CEO, or the general manager, or
their equivalent. The contract shall include the conditions for managing the account. In all cases, the securities shall
.neither be affected by nor be subject to any claims arising from the liquidation or bankruptcy of the Operating Entity

The Operating Entity shall maintain, on an ongoing basis, separate and accurate accounts for consumers, clearly .2
identifying the assets and transactions of each consumer and each portfolio. The back office shall record the
.transactions in the books and settle them on a daily basis

(Article (76

In the event of any discrepancy between the consumer's records and accounts and their accounts at the bank where their
funds are deposited, or the accounts maintained by any other party holding the consumer's assets and funds, the
.Operating Entity shall resolve such discrepancy within a period not exceeding three (3) working days

In all cases, the Operating Entity shall ensure, on a daily basis, that the consumer's records and accounts held by it are
reconciled with their accounts at the bank or with the accounts maintained by any other party holding the consumer's
.assets and funds

(Article (77

:The Operating Entity shall, when opening an account for a consumer, be obligated to do the following

1. Ensure that the consumer is aware of the rules and procedures relating to account opening, all the services provided by the Operating Entity, and the related commissions and expenses

2. Open an account for the consumer with the depository institution if the consumer does not already have an account with it

3. Conclude a written contract with the consumer specifying the services it provides to them and the commissions and expenses they will bear

4. Authenticate the consumer's signature and verify their identity and legal capacity to contract. The Operating Entity shall be responsible for the authenticity of the signature

5. Take the necessary measures to obtain accurate and complete information and data in accordance with Know Your Customer (KYC) requirements, enabling it to identify the consumer and determine their investment objectives. The Operating Entity shall update the data and information relating to the consumer periodically and on an ongoing basis

6. Comply with all agreements, laws, regulations, and decisions issued to combat money laundering and the financing of terrorism

(Article (78

The Operating Entity that handles consumers' orders to buy or sell securities shall have an appropriate system to ensure fairness in the placement, execution, and allocation of orders

(Article (79

The Operating Entity that holds a consumer's assets, whether securities or funds, shall send the consumer a statement of account at the end of each month in which transactions are carried out, and at least once every six (6) months where there is a balance of funds or securities in the account. It shall also send, by appropriate means, confirmation of each purchase or sale of securities within twenty-four (24) hours of execution of the transaction. Where a transaction is not executed, the reasons for non-execution shall be provided

(Article (80

The Operating Entity shall be responsible to the consumer and the FSA for the activities carried out by its branches licensed by the FSA

(Article (81

:The Operating Entity shall notify the FSA immediately upon the occurrence of any of the following

Any change to its name or address, the name or address of any of its branches, or the name of the parent company in .1
.the case of branches of foreign companies

.Any change to the company's objectives or any amendment to its articles of association .2

Any change in the chairman of its board of directors, any member of that board, or any member of its senior .3
management, with a statement of the reasons in the event of resignation, cessation of work, termination of service, or
.any change in the positions held by such persons, without prejudice to the provision of Article (25) of the Law

.Termination of the service of the compliance officer or the internal auditor .4

The closure of any of its branches or termination of dealings with any of its agents, whether inside or outside the .5
.Sultanate of Oman

.Any change of the external auditor .6

.Any attachment or pledge over its assets and funds .7

.Any lawsuits brought by or against it that have an impact on its financial position or profits .8

.Any event that adversely affects or may adversely affect its financial position or consumers' interests .9

(Article (82

The Operating Entity licensed to undertake the activity of marketing non-Omani securities shall submit an annual
statement to the FSA in accordance with the form prepared for this purpose, within five (5) working days from the end
:of the aforementioned period. The statement shall include, in particular, the following

.The name of the security marketed .1

.The issuer of the security .2

.The country and authority to whose laws the security is subject .3

.The names of consumers dealing in the security .4

Part Five

Disclosure of Operating Entities

(Article (83

The Operating Entity shall prepare its financial statements and have them audited in accordance with the requirements of the FSA and the International Financial Reporting Standards (IFRS). Such statements shall include, in particular, the balance sheet, statement of comprehensive income, statement of cash flows, statement of changes in equity, auditor's report, report of the Board of the Operating Entity, and notes to the financial statements

(Article (84

The Operating Entity shall prepare unaudited quarterly financial statements for the first, second, and third quarters of its financial year and submit them to the FSA through the Electronic Disclosure System established for this purpose within a period not exceeding fifteen (15) days from the end of the relevant quarter, or thirty (30) days in the case of an Operating Entity with subsidiaries

It shall also prepare annual financial statements audited by an auditor approved by the FSA in accordance with the International Financial Reporting Standards (IFRS), and submit them to the FSA within a period not exceeding two (2) months from the end of the financial year, or fourteen (14) days before the general meeting is convened in the case of public joint-stock companies

(Article (85

The Operating Entity shall provide the FSA with a capital adequacy report within five (5) working days from the end of each month

It shall also provide the FSA with an annual report within a period not exceeding two (2) months from the end of the financial year, in accordance with the form prepared by the FSA, provided that the report is audited by an external auditor approved by the FSA. The report shall include the auditor's opinion on whether the Operating Entity has a system in place to verify that its capital adequacy does not fall below the required limit

In all cases, the FSA may request additional capital adequacy reports within the period it specifies. It may also make such reports available to the public through the Electronic Disclosure System

(Article (86

The Operating Entity shall provide the FSA with a compliance report annually, in accordance with the form prepared by

.the FSA, no later than the end of January of each year. The FSA may request a report covering a shorter period

(Article (87

The Operating Entity shall provide the FSA with a monthly statement of consumers' funds and assets held by it, in accordance with the form prepared for this purpose. It shall also provide the FSA with an annual report audited by an external auditor approved by the FSA to verify the extent of its compliance with the rules for the segregation of consumers' funds stipulated in these Regulations

In all cases, the Operating Entity shall provide the FSA with any relevant information, data, or reports within the period specified by the FSA

Part Six

Control, Merger, and Reduction and Increase of the Operating Entity's Capital

(Article (88

Except for commercial banks, no person may own more than twenty percent (20%) of the voting shares in an Operating Entity without obtaining the approval of the FSA in accordance with the form prepared for this purpose. For the purposes of this Article, the term "person" means a natural person, their spouse, their relatives up to the first degree, and the companies in which the natural person owns twenty percent (20%) or more of the voting shares, or a legal person and the companies in which it owns twenty percent (20%) or more of the voting shares

(Article (89

The Operating Entity shall not increase or reduce its capital without obtaining the approval of the FSA in accordance with the form prepared for this purpose. If the application is approved, the Operating Entity shall complete the procedures for increasing or reducing its capital with the competent authority and notify the FSA by providing the registration certificate from the updated Commercial Register

(Article (90

The Operating Entity shall not merge with any other Operating Entity without obtaining the approval of the FSA in accordance with the form prepared for this purpose. If the application is approved, the Operating Entity shall complete the merger procedures with the competent authority

(Article (91

Upon completion of the merger, the Operating Entity shall provide the FSA with a copy of the new registration certificate in the Commercial Register, together with all data and documents

(Article 92

If the merger requires the transfer of the license for securities activities from the merged Operating Entity or Operating Entities to the merging or new Operating Entity, as the case may be, the FSA shall, upon completion of the merger, issue its decision transferring such activities to the merging or new Operating Entity, as the case may be

(Article 93

Where the merged Operating Entities undertake the same activity, a single license shall be issued to the merging or new Operating Entity, and all licenses granted to the merged Operating Entity shall be deemed automatically cancelled as of the date of completion of the merger

(Article 94

Upon completion of the merger, the FSA shall issue a decision granting a new license to the merging or new Operating Entity, as the case may be. It shall notify the Capital Market Institutions and the concerned parties by providing them with a copy of the decision and disclose the decision to the public

Chapter Four

Credit Rating Companies

(Article 95

.The credit rating activity shall not be undertaken without obtaining a license from the FSA

(Article 96

:The activities of credit rating companies include, in particular, the following

Assessing the creditworthiness of issuers and borrowers by analyzing and evaluating the ability of companies, financial institutions, and governments to meet their financial obligations and repay their debts on time. This includes assessing the credit risks of securities, debt instruments, and structured finance products

Issuing and publishing credit ratings to the public through various means. Such ratings may also be provided to subscribers or clients upon request on a subscription basis or for specified fees. These ratings constitute a professional opinion on the degree of credit risk and are not a direct investment recommendation

Conducting a comprehensive analysis of the available financial and economic data and information, and the macro

factors affecting creditworthiness. The analysis includes consideration of financial performance, capital structure, liquidity, the level of indebtedness, and other factors

Providing reports and information on the creditworthiness of issuers to assist consumers in making their investment .4
.decisions. These reports aim to enhance transparency and reduce uncertainty in the financial market

(Article (97

The application to obtain a license for a credit rating company shall be submitted to the FSA on the form prepared for
:this purpose to obtain its initial approval, accompanied by the following data and documents

The authorization issued by the founders or the members of the board of directors of the credit rating company to .1
.their representatives to carry out the procedures for obtaining the license

The ownership structure of the applicant, including the names of the founders, their nationalities, qualifications, and .2
ownership percentages in the company's capital, and the chain of ownership structures for any legal person founder
.owning five percent (5%) or more of the capital

Evidence that no judicial rulings have been issued against any of the founders during the five (5) years preceding the .3
submission of the application declaring them bankrupt, or imposing a penalty for a felony or a misdemeanor involving
dishonesty or breach of trust, or a penalty for one of the crimes stipulated in the Law or the Commercial Companies
Law, unless they have been rehabilitated. This provision shall apply to any change occurring to the members or partners
.who are appointed thereafter

.(The proposed capital, which shall not be less than □2,000,000 (Two Million Omani Riyals .4

A business plan comprising the scope of work of the company applying for the license, potential client categories, .5
.expected services to be provided, any potential or expected investment risks, and the measures to deal with them

A declaration in accordance with the form prepared for this purpose stating that the credit rating company possesses .6
.sufficient expertise and resources to undertake the activity

.Evidence of payment of the prescribed fee .7

(Article (98

The FSA shall review the application and decide on it within fifteen (15) working days from the date of its submission
with all the required data and documents. It shall issue its initial approval for completion of the procedures for
incorporating the company and registering it in the Commercial Register, and all technical and legal procedures
necessary for licensing it. Such procedures shall be completed within a period not exceeding six (6) months from the
.date of the initial approval; otherwise, the approval shall be deemed null and void

(Article (99

The application to obtain the final approval for licensing shall be submitted within a period not exceeding six (6) months from obtaining the initial approval, in accordance with the form prepared by the FSA, accompanied by the following data and documents

1. A copy of the registration certificate in the Commercial Register, together with the date, number, and place of registration.

2. A copy of the memorandum of association and articles of association, and any amendments thereto.

3. A statement of the members of the board of directors of the credit rating company and the executive management, their qualifications and experience, and any changes to such data.

4. A statement confirming compliance with the FSA's requirements regarding the minimum number of employees, their academic qualifications, and practical experience.

5. Any other documents specified by the FSA relating to the regulation of the license applicant's business and its capital adequacy.

6. Evidence of payment of the prescribed fee.

(Article 100)

The FSA shall consider the license application and decide on it within fifteen (15) working days from the date of completion of all documents and data. The license shall be issued by a decision of the Executive President. If the application is rejected, the decision shall state the reasons for rejection.

The license term shall be one (1) year and shall be renewed annually after payment of the prescribed fee.

(Article 101)

The FSA shall notify the Capital Market Institutions and the concerned parties by providing them with a copy of the decision. In all cases, the license shall be made available to the public through appropriate means.

(Article 102)

The credit rating company shall commence its licensed activities within thirty (30) days from the date of obtaining the license. The FSA may extend this period for a similar period. The license shall be deemed cancelled if that period expires without the activity being undertaken.

(Article 103)

Credit rating companies shall be registered in a special register prepared by the FSA for this purpose. Each company shall be assigned a serial number, and the register shall include the company's details, capital, members of its board of directors or board of managers, and affiliated branches. Each licensed company shall be issued a certificate to that effect and shall display the certificate in a prominent place at all its premises and offices

(Article (104

International credit rating companies that have no offices or branches in the Sultanate of Oman and wish to provide their services in the Sultanate of Oman shall be exempt from the requirement to establish a local company or open a representative office or branch in the Sultanate of Oman. They shall also be exempt from the licensing procedures. Such companies shall be specified by a decision of the Board

(Article (105

:Credit rating companies shall be obligated to do the following

Provide sufficient resources and information to conduct high-quality credit assessments, support the credibility of .1
.credit ratings, and monitor and update such assessments

Take all reasonable steps to avoid issuing any credit rating containing false or misleading information concerning the .2
.creditworthiness of the rated entity or the relevant security

Follow rigorous and systematic rating methodologies, and adopt and implement appropriate standards to ensure the .3
use of appropriate rating categories, methodologies, models, and key assumptions when determining the credit rating of
.the rated entity or the relevant security

.4 .Not use information for any purposes other than those related to their rating activities

.5 .Exercise due care and professional judgment to maintain both the substance and appearance of independence and
.objectivity

.6 .Act fairly and with integrity in their dealings with the FSA, rated entities, investors, and other users of credit ratings

.7 .Ensure that their rating analysts and employees possess sufficient professional qualifications and experience to
.discharge their responsibilities, including appropriate knowledge and technical skills

.8 .Adopt and implement specific procedures and mechanisms to avoid conflicts of interest

(Article (106

The managers and senior analysts of credit rating companies shall have at least five (5) years of practical experience in the financial sector, acquired after obtaining a qualification in valuation, financial analysis, or a related discipline from a recognized educational institution

Such companies shall also enter into a professional association with an international rating agency (foreign partner) of good repute with at least ten (10) years of professional experience in this field. The latter shall undertake to provide all the material and technical resources and human expertise necessary to enable the company to provide assessment services

(Article (107

Credit rating companies shall establish an internal code of conduct in which they undertake to uphold professional ethics, comply with the laws, and refrain from manipulating data or assessment results. They shall disclose the results fairly and immediately, maintain the confidentiality of information and data obtained from consumers, and comply with any other obligations determined by the FSA, in accordance with the form it prepares for this purpose

(Article (108

Credit rating companies shall sign a contract with the consumer containing all necessary data, information, and conditions and clearly specifying the rights and obligations of each party. In particular, the contract shall specify the fees charged by the company, its liability, the consumer's undertaking to cooperate with it, the consumer's consent to the company accessing their data and information held by various entities, the consumer's provision of all data and information that assist the company in providing a fair and impartial assessment, and the consumer's consent to the company's periodic review of the assessment

(Article (109

.Credit rating companies shall not provide their services to Related Parties

(Article (110

Credit rating companies shall, immediately upon becoming aware of any disputes arising with any of their consumers, provide the FSA with a report on such disputes and the action taken in respect thereof

Chapter Five

Collective Investment Funds

Part One

General Provisions

(Article (111

Collective investment funds aim to pool funds from investors for investment on their behalf in various fields, in accordance with the principles of professional management of collective investments

(Article (112

The capital of a collective investment fund shall be divided into investment units carrying equal rights. The liability of unitholders shall be limited to the value of their contributions, and the value of the investment units shall be paid upon subscription

(Article (113

:Collective investment funds shall have legal personality and shall take one of the following forms

1. An open-ended fund: A collective investment fund in which participation is through investment units and which has variable capital. Its capital increases through the issuance of new investment units and decreases through the redemption of some of its units during the period specified in the fund's articles of association, based on the net asset value

2. A closed-ended fund: A collective investment fund with fixed capital, whose investment units may only be redeemed at the end of the fund's term. Its capital may be increased in accordance with the provisions of the fund's articles of association

3. Collective investment funds wishing to invest in real estate activities shall take the form of a closed-ended fund

(Article (114

:Collective investment funds shall be classified according to the nature of their activities as follows

1. Securities mutual fund

2. Liquidity fund

3. Real estate investment fund

4. Debt instruments fund

5. Holding fund

.(Exchange-traded fund (ETF) .6

.Venture capital fund .7

.Private equity fund .8

.Waqf (Endowment) fund .9

.Green fund .10

.Sustainability fund .11

.Any other type approved by the FSA .12

In all cases, the capital of a collective investment fund at establishment shall not be less than □2,000,000 (Two Million Omani Riyals), fully paid up, and the founders' contribution shall not be less than five percent (5%) of the capital

.The FSA shall specify the investment rules for the types of funds stipulated in this Article

(Article (115

Subject to the provision of Article (38) of the Law, ownership of the assets of a collective investment fund shall be registered in the name of the fund. Such assets shall not be recorded in the financial accounts of the Operating Entity .that established it or any other service provider

(Article (116

A collective investment fund shall, when publishing advertisements or conducting promotional campaigns for its issued units, ensure that investors are informed of the risks and rewards of investment and highlight the actual data contained in .the Prospectus

.In all cases, advertisements and promotions shall not include any data not contained in the Prospectus

(Article (117

The management of a collective investment fund, the Operating Entity that established it, and the service providers shall

provide the information, documents, and data requested by the FSA within the period it specifies. The FSA may visit and inspect the offices and records of the fund or any of the aforementioned parties, and obtain the data and information necessary to conduct audits and inspections

(Article (118

If a collective investment fund commits an act that harms the interests of its unitholders, consumers dealing with it, or creditors, or if a risk arises that threatens the stability of the capital market, the FSA may take one or more of the following measures

1. Issue a warning to the collective investment fund specifying the causes of the risk or harm and requiring it to eliminate such risk or harm within the period specified by the FSA

2. Appoint an observer member to the board of directors of the collective investment fund for the period specified by the FSA. Such member shall be entitled to participate in the board's discussions and have their opinion on the resolutions adopted recorded, but shall have no voting rights

3. Require the chairman of the board of directors of the collective investment fund to convene the general meeting or the board of directors to take the necessary measures to eliminate the causes of the risk or harm within the period specified by the FSA for their elimination

One or more representatives of the FSA shall attend the general meeting or the meeting of the board of directors, without voting rights

4. Dissolve the board of directors and appoint an interim board of directors to eliminate the causes of the risk or harm and manage the affairs of the collective investment fund until a new board of directors is selected

5. Prohibit the collective investment fund from pursuing certain of its objectives until the causes of the risk or harm have been eliminated

6. Prohibit the collective investment fund from pursuing any of its objectives for a specified period, which may be extended until the causes of the risk or harm have been eliminated

Grievances against decisions issued in this regard shall be submitted in accordance with the procedures stipulated in these Regulations

Part Two

Establishment of Collective Investment Funds

(Article (119

Any person wishing to establish a collective investment fund through public subscription or private placement shall appoint one of the companies licensed by the FSA to undertake the issue management activity to coordinate with the FSA on all matters relating to the procedures for establishing the fund and issuing its investment units

(Article (120

The issue manager shall submit the application for approval of the Prospectus at least thirty (30) days before the date specified for the commencement of subscription. The Prospectus shall be signed by the management of the collective investment fund, the issue manager, the legal adviser, and the underwriter in the case of funds under formation offered for public subscription. The application shall include the following documents and data, in accordance with the forms prepared by the FSA for this purpose

.1 The Prospectus in Arabic and its English translation

.2 The fund's articles of association

.3 The subscription application

.4 The issue announcement in Arabic and English

.5 Evidence of payment of the prescribed fee

.6 Any other documents or data requested by the FSA

(Article (121

The FSA shall review the application and decide on it within fifteen (15) working days from the date of completion of all required documents and data. The lapse of this period without a response shall be deemed a rejection of the application.

(Article (122

The issue manager shall complete the establishment procedures within three (3) months from the date on which it is notified of the FSA's approval of the application; otherwise, such approval shall be deemed null and void.

(Article (123

The FSA shall prepare a register for collective investment funds and enter therein the funds that fulfil the conditions for establishment.

(Article (124

The issue manager shall, in agreement with the founders, appoint the service providers before the Prospectus is approved by the FSA

Part Three

Issuance of Investment Units

(Article (125

A collective investment fund shall, when offering its units for public subscription, offer not less than forty percent (40%) of its capital to the public. The FSA may approve the offering of a lower percentage

A founder shall not sell or redeem their holding until three (3) years have elapsed from the closing date of the public subscription

(Article (126

The issue manager may assign some of its duties to another Operating Entity licensed to undertake the issue management activity in the Sultanate of Oman, without prejudice to its responsibility to the collective investment fund, the FSA, and investors for such duties

(Article (127

The issue manager shall include in the Prospectus all information necessary to enable the investor to make their decision. The Prospectus may be published or made available to the public before its approval, provided that prior approval for such publication or inspection is obtained from the FSA. The FSA may also do so on its own initiative

(Article (128

The FSA may request additional information from the issue manager or conduct such discussions and inquiries, as it deems appropriate for the preparation of the Prospectus

(Article (129

The FSA shall issue its decision approving the Prospectus within five (5) working days after verifying that it fulfils all requirements. The collective investment fund and the issue manager shall be responsible for the accuracy of the information, data, and analyses contained in the Prospectus

(Article (130

The issue manager shall, within two (2) working days from the date of approval of the Prospectus, provide the FSA and the institution responsible for the Electronic Disclosure System with a protected soft copy of the approved Prospectus for publication on the Internet and the Electronic Disclosure System

(Article (131

Following approval of the Prospectus, the issue manager shall publish the issue announcement through appropriate means of publication, in both Arabic and English, at least seven (7) days before the commencement date of the public subscription

(Article (132

The issue manager shall invite the public to subscribe within thirty (30) days from the date of issuance of the FSA's decision approving the Prospectus. Subscription shall remain open for the period specified in the Prospectus, which shall not exceed fifteen (15) days from the commencement date of subscription. The FSA may approve an extension of the subscription period for a similar period. The issue manager may also shorten the subscription period in the case of private placement

(Article (133

The issue manager shall immediately notify the FSA of any change or amendment to the approved Prospectus in order to obtain its approval

Upon obtaining the FSA's approval, the issue manager shall immediately publish the change or amendment in both Arabic and English through the Electronic Disclosure System or any other appropriate means approved by the FSA

If the change or amendment is material and would affect the collective investment fund, the FSA may cancel the issue and require the issue manager to refund the funds to subscribers

(Article (134

Banks licensed to operate in the Sultanate of Oman and Operating Entities licensed to undertake the brokerage activity may receive subscription applications by any means through linkage with the electronic subscription system of the .depository institution, or by any other means approved by the FSA

(Article 135

The issue manager shall, in consultation with the collective investment fund, appoint at least three (3) of the entities stipulated in Article (134) of these Regulations to receive public subscription applications, and at least one entity in the case of private placement, and conclude agreements with such entities specifying their duties and responsibilities. Such entities shall receive subscription applications and payments and allot the securities subscribed for in accordance with the subscription procedures specified in the Prospectus. They shall also coordinate with the issue manager and provide the necessary data on subscription coverage, and coordinate with the depository institution regarding the register of .subscribers. They shall also refund surplus subscription amounts no later than three (3) working days after allotment

(Article 136

If, upon expiry of the subscription period, it becomes apparent that subscriptions exceed the number of investment units offered in the collective investment fund, the units shall be allotted among subscribers in proportion to the number of .units subscribed for by each subscriber and in accordance with the allotment method specified in the Prospectus

The FSA may decide that a minimum number of the units offered for public subscription shall first be allotted equally among all subscribers, with the remaining units then allotted in the manner stipulated in the first paragraph of this .Article

(Article 137

Additional investment units may be offered directly for public subscription, without first being offered to the .unitholders of the collective investment fund, pursuant to a resolution of the extraordinary general meeting

(Article 138

The issue manager and the collecting agents shall be liable to compensate the collective investment fund and subscribers for any damage resulting from negligence in the performance of their duties. The agreements concluded between the issue manager and the collecting agents may include provisions for imposing financial penalties if the .entities receiving subscription applications fail to perform the duties and responsibilities assigned to them

Part Four

Investment Rules

(Article 139

A collective investment fund shall invest not less than seventy-five percent (75%) of its capital in pursuit of its primary investment objectives.

(Article (140

:A collective investment fund wishing to invest in securities shall comply with the following rules

1. It shall not own more than ten percent (10%) of the securities of any issuer.

2. Its investments in securities issued by a single issuer shall not exceed ten percent (10%) of the fund's NAV. This restriction shall not apply to funds investing in an index sample.

3. Its borrowings shall not exceed ten percent (10%) of its NAV.

(Article (141

The amounts borrowed by a collective investment fund investing in real estate shall not exceed thirty percent (30%) of its NAV.

Part Five

Listing and Trading of Investment Units

(Article (142

The investment units of closed-ended funds shall be listed and traded on the Stock Exchange in accordance with the provisions of the Law and these Regulations. An open-ended fund may have its units listed and traded on the Stock Exchange.

(Article (143

The provisions and procedures for the listing and trading of shares shall apply to the listing and trading of funds listed on the Stock Exchange.

(Article (144

The board of directors of a collective investment fund not listed on the Stock Exchange shall prepare and maintain a register of investors. It may appoint any person it deems appropriate to prepare and maintain this register pursuant to a contract concluded with that person. Ownership of investment units shall be transferred upon entry of the transfer in the register. The fund's management shall register the transfer of ownership free of charge within three (3) days from the .date of receipt of the documents evidencing the transfer

Part Six

(Calculation of Net Asset Value (NAV) and Net Realizable Value (NRV

(Article (145

.The provisions of this Part shall apply to the issuance and redemption of investment units of an open-ended fund

(Article (146

The NAV of an open-ended collective investment fund shall be calculated and its NRV determined within the period specified in the fund's articles of association, which shall not exceed seven (7) days. Such values shall be disclosed .immediately upon calculation

.The NAV shall at all times be calculated and presented in the same manner as in the financial statements

(Article (147

An open-ended collective investment fund may issue or redeem its investment units based on the NAV per Unit, calculated in accordance with the International Financial Reporting Standards (IFRS) and the instructions issued by the .FSA

If the NRV of the investment units is lower than the NAV on the basis of which the redemption value is calculated, the discount applied to the NAV shall not exceed ten percent (10%). This restriction shall not apply to redemption upon .liquidation of the fund

(Article (148

.The calculation of NAV or NRV shall not include any issue or redemption expenses that may be borne by the investor

(Article (149

Each purchase or sale of securities carried out by a collective investment fund shall be included in the first calculation of its NAV following execution of the transaction, so that the results of the transaction are reflected in the immediately subsequent valuation, in accordance with the International Financial Reporting Standards (IFRS) and the instructions issued by the FSA

(Article (150

The issuance or redemption of investment units shall be taken into account in the first calculation of the collective investment fund's NAV following such issuance or redemption

(Article (151

The articles of association of a collective investment fund shall specify the method for valuing securities listed or unlisted on the Stock Exchange, or other illiquid assets, that have not been traded during the twenty (20) working days preceding the valuation day. The methods used to value illiquid securities for the calculation of NAV and NRV shall also be specified

Part Seven

Issuance and Redemption of Investment Units

(Article (152

The provisions of this Part shall apply to the issuance and redemption of investment units of an open-ended collective investment fund

(Article (153

An open-ended collective investment fund shall issue, at least annually, a simplified Prospectus that includes the annual report

(Article (154

All orders for the issuance or redemption of units of a collective investment fund shall be executed at a price equal to the NAV of the investment units or their NRV, as determined after the fund receives the order

The fund may deem orders received after a specified time on any working day, or on any holiday, to have been received on the working day following the actual day of receipt of the order. The fund shall maintain a register of issuance and redemption orders

(Article (155

The collective investment fund shall, immediately upon calculating the NAV or NRV, send the investor a confirmation specifying the nature of the transaction, the value of the units issued or redeemed, the sale or redemption expenses, the .NAV or NRV, the number of units issued or redeemed, and the date of execution of the transaction

(Article (156

Issue expenses shall be determined as a percentage of the net value of the amounts issued, and redemption expenses .shall be determined as a percentage of the net amounts redeemed

(Article (157

The investor shall pay the amount due under the order to purchase the issued units no later than three (3) days from the .date on which the issue price is determined

(Article (158

The collective investment fund shall disclose annually the procedures to be followed for issuing and redeeming investment units and the documents required to be submitted in connection with a redemption order. Such disclosure .shall also be included in the simplified Prospectus

(Article (159

If a collective investment fund determines that the redemption requirements have not been fulfilled, it shall, by the end of the working day following receipt of the redemption order, notify the investor who placed the order that such .requirements have not been fulfilled, specifying the procedures to be completed and the data to be supplied

(Article (160

A collective investment fund shall pay the investor the value of the redeemed units, after deducting expenses, within a period not exceeding three (3) working days from the date of calculation of the NAV or NRV used to determine the .redemption price

(Article (161

:A collective investment fund shall not suspend an investor's right to redeem their units except in the following cases

Where trading is suspended in securities whose value represents at least fifty-one percent (51%) of the fund's total .1
.assets

.Where the fund's articles of association specify limits and conditions for suspending redemption procedures .2

.Exceptional circumstances approved by the FSA .3

A fund that suspends redemption procedures shall notify the FSA no later than the close of business on the day following the date of suspension. It shall also disclose the suspension on the same day in accordance with the .mechanism specified by the FSA

Part Eight

Management of Collective Investment Funds

(Article (162

A collective investment fund shall be managed and its activities supervised by a board of directors elected by the general meeting in accordance with the fund's articles of association. The board shall consist of an odd number of members, with not fewer than three (3) and not more than seven (7) members. The chairman of the board of directors, or a person .authorized by the chairman, shall represent the collective investment fund before the courts and third parties

By way of exception to the first paragraph of this Article, the first board of directors shall be appointed by the issue manager in agreement with the founders, for a term not exceeding one (1) year from the date of the fund's registration .in the register of funds

(Article (163

:Upon formation of the board of directors, the number of independent directors shall be as follows

7	5	3	Number of board members
3	2	1	Number of independent directors

The corporate governance principles established by the FSA shall specify the cases in which a member of the board of .directors is not deemed independent

(Article (164

Any person wishing to stand for election to the board of directors of a collective investment fund shall fulfil the :following conditions

.They shall be a natural person .1

.They shall be of good conduct and reputation .2

.They shall have at least five (5) years of specialized practical experience in the field of securities .3

.They shall have an investor number registered with the depository institution .4

They shall not have been convicted of a felony or a crime involving dishonesty or breach of trust, unless they have .5
been rehabilitated, nor shall they have been declared bankrupt or insolvent or convicted of any of the crimes stipulated
in the Law

They shall not have caused the bankruptcy of any company or fund through their individual actions or as part of the .6
.collective responsibility of the board of directors

Their election shall not result in their serving on the boards of more than four (4) investment funds, and they shall not .7
.serve as chairperson of the boards of more than two (2) collective investment funds

They shall not be a member of the board of directors of an investment fund pursuing objectives in the Sultanate of .8
.Oman similar to those of the collective investment fund to whose board of directors they seek election

In all cases, a candidate standing as an independent director shall submit a declaration to that effect, stipulating that their
.membership shall terminate if they cease to be independent

(Article 165

The articles of association of a collective investment fund shall not require ownership of a minimum number of
.investment units as a condition for nomination to membership of the board of directors

(Article 166

The term of office of members of the board of directors of a collective investment fund shall be three (3) years,
commencing on the date of the general meeting at which the election is held and ending on the date of the third annual
general meeting thereafter. If the date of that meeting falls after the expiry of the aforementioned three (3) years, the
term of office shall be extended until the date on which it is held, provided that such extension does not extend beyond
.the expiry of the period specified for convening the annual general meeting

(Article 167

An application for nomination to membership of the board of directors of a collective investment fund shall be
submitted to the fund on the form prepared by the FSA at least five (5) days before the date specified for the general
.meeting at which the members of the board of directors are to be elected

A collective investment fund listed on the Stock Exchange shall publish the names of the candidates and brief profiles
.of them at least three (3) days before the date of the general meeting

(Article (168

The legal adviser of a collective investment fund shall, at least three (3) days before the date of the general meeting, review and approve the candidates' nomination forms to ensure that all required data have been entered and that the candidates fulfil the prescribed conditions

(Article (169

The members of the board of directors of a collective investment fund shall be elected by direct secret ballot by the unitholders. Each unitholder shall have a number of votes equal to the number of investment units they hold and may cast all such votes for one candidate or distribute them among candidates of their choice, provided that the number of candidates voted for does not exceed the number of vacant seats. Such votes shall be cast using a voting card, with the total number of votes allocated to the candidates equalling the number of units held by the unitholder

(Article (170

The membership of any person elected to the board of directors of a collective investment fund in violation of the provisions of these Regulations shall be void from the date of their election. The board of directors shall convene the general meeting to elect another member within a period not exceeding thirty (30) days from the date of discovery of the invalidity. The collective investment fund shall claim compensation from that member and from every person who participated in facilitating their membership of the board for any damage suffered by the fund as a result

(Article (171

If a general meeting is held to elect the members of the board of directors of a collective investment fund and the number of candidates is less than the number of members specified in the articles of association, the general meeting shall be convened again within a period not exceeding sixty (60) days from the date of that meeting to elect the remaining members

(Article (172

If, for any reason, the seat of a member of the board of directors of a collective investment fund becomes vacant between two ordinary general meetings, the board may take the following measures, unless the fund's articles of association provide otherwise

1. Fill the vacant seat from the list of candidates who were not elected to the board at the most recent election held by the fund's ordinary general meeting, in descending order of the number of votes received by each candidate. If two candidates received the same number of votes, the board of directors shall select one of them. If no names are available on the list of candidates, the board may select a person to fill the seat until the next ordinary general meeting

2. If the number of vacant seats or the number of members appointed by the board of directors pursuant to the preceding item reaches half the number of elected board members, the board shall convene the ordinary general meeting to elect new members to fill the vacant seats within sixty (60) days from the date on which the most recent vacancy arose. In all

.cases, the members selected shall serve the remainder of their predecessors' terms

(Article (173

:The following requirements shall be observed at meetings of the board of directors of a collective investment fund

.1 .At least two-thirds of the members shall be present, including the chairman or deputy chairman

.2 A member of the board of directors of the collective investment fund shall not participate in discussions or vote on .any matter in which they, their spouse, or any of their relatives up to the second degree have an interest

.3 .Resolutions of the board of directors shall be adopted by a majority of the votes of the members present

.4 The objection of any member who opposes a resolution shall be recorded in the minutes of the meeting of the board .of directors of the collective investment fund

.5 The board of directors of the collective investment fund shall meet at least four (4) times annually, and the period .between any two consecutive meetings shall not exceed four (4) months

(Article (174

The board of directors may hold its meetings through physical attendance at the meeting venue or through the use of modern technological means. A board meeting shall be valid only with the attendance of a majority of its members, and .its resolutions shall be adopted by majority vote

(Article (175

The board of directors may adopt some of its resolutions by circulation, recorded in minutes, provided that the :following requirements are observed

.1 .The subject of the resolution shall not relate to the financial statements

.2 The proposed resolution shall be submitted to all members, accompanied by all documents and instruments necessary .for its consideration and for making a decision thereon

.3 Each member, without exception, shall record their position on the resolution. If a member rejects the resolution, .they shall state in writing the reasons and grounds for rejection

(Article 176)

The FSA may, upon a request from unitholders holding not less than five percent (5%) of the units of a collective investment fund, issue a decision suspending resolutions of the fund's general meeting that would harm them, are adopted in favor of a particular category of unitholders, or confer a special benefit on members of the board of directors or others, provided that the FSA is satisfied as to the seriousness of the grounds for the request

A request to suspend implementation of resolutions of the general meeting shall not be accepted after five (5) working days have elapsed from the date on which those resolutions were adopted

Any interested party shall bring an action before the competent court seeking the annulment of the resolutions referred to in the first paragraph of this Article and notify the FSA by providing it with a copy of the claim, within five (5) working days from the date of issuance of the decision suspending implementation of the general meeting's resolutions; otherwise, the suspension shall be deemed null and void

(Article 177)

The members of the board of directors of a collective investment fund shall be responsible to the unitholders and the FSA for monitoring and supervising the activities of the investment manager and other service providers, and for safeguarding the interests of the collective investment fund and investors

(Article 178)

The board of directors of a collective investment fund shall monitor and supervise the fund's activities and shall, for this purpose, carry out the following

1. Evaluate the investment performance of the collective investment fund against the performance of similar funds or any other benchmark, taking into account the investment objectives

2. Verify the collective investment fund's compliance with the Prospectus, its articles of association, and legal requirements

3. Evaluate the performance of the investment manager and other service providers

4. Ensure the adequacy of the collective investment fund's systems for safeguarding its assets, and ensure that sound internal accounting controls are in place

5. Assess the adequacy of the investment manager's systems and controls to ensure that it acts in the interests of the collective investment fund and investors

Avoid conflicts of interest and ensure the adequacy of the measures taken to eliminate conflicts of interest in a .6
.manner that serves the interests of the collective investment fund and investors

Ensure segregation of duties where a single company acts as a service provider for more than one collective .7
.investment fund

.Appoint and remove service providers, other than the auditor, and determine their fees .8

Notify the FSA immediately of any breach of the requirements of these Regulations or any material change in the .9
.information provided to the FSA, within fourteen (14) days from the date of the change

Part Nine

Sharia Supervisory Board for Collective Investment Funds

(Article (179

The board of directors of a collective investment fund and the investment manager, where the fund is Sharia-compliant, shall ensure at all times that the investments and activities of the collective investment fund comply with the principles :of Islamic Sharia through one of the following means

.Establishing a Sharia Supervisory Board .1

.Engaging the Sharia Supervisory Board of the investment manager .2

Contracting with an institution specialized in providing Sharia supervisory services or another institution that has a .3
.Sharia Board

(Article (180

Where a Sharia Supervisory Board is established, its members shall be independent of the investment manager. Members of the Sharia Supervisory Board shall not be members of the board of directors of the collective investment fund. The Board shall consist of an odd number of members, not fewer than three (3), who possess the competence necessary to perform their duties. A meeting of the Board shall be valid only if attended by a majority of its members, .and its resolutions shall be adopted by majority vote

.The Board may invite any person to attend its meetings without voting rights

(Article (181

:The Sharia Supervisory Board shall carry out the following duties

Provide advice in all areas of investment and verify that the collective investment fund is managed in accordance with .1
.the principles of Islamic Sharia

Provide Sharia expertise and guidance on all matters, in particular the fund's articles of association, the Prospectus, .2
.fund structuring, investments, and other operational matters

Review the report of the investment manager or the custodian concerning the extent of the fund's and its investment .3
.transactions' compliance with the principles of Islamic Sharia

Prepare a report to be included in the annual or interim report of the fund, containing its opinion as to whether the .4
.fund has been operated in accordance with the principles of Islamic Sharia during the relevant financial period

(Article (182

:Members of the Sharia Supervisory Board shall comply with the following

.1.Observe standards of integrity and fairness in performing their duties .1

Exercise due care and diligence in performing their duties and responsibilities in accordance with the applicable laws, .2
.rules, and regulations

Any member appointed to more than one Sharia Supervisory Board of collective investment funds operated by the .3
.same investment manager shall perform their duties independently in respect of each fund to which they are appointed

(Article (183

The term of membership of the Sharia Supervisory Board shall be five (5) years. If the seat of a member becomes vacant
before the expiry of the term, the remaining members shall select another member to replace them for the remainder of
.the term

(Article (184

The Sharia Supervisory Board may hold its meetings through physical attendance at the meeting venue or through the
use of modern technological means. A meeting of the Board shall be valid only if attended by a majority of its members,
.and its resolutions shall be adopted by majority vote

(Article (185

The Sharia Supervisory Board may adopt its resolutions by circulation, provided that the approval of a majority of its members is obtained and the following requirements are observed

The proposed resolution shall be submitted to all members, accompanied by all documents and instruments necessary .1
for its consideration and for making a decision thereon

Each member shall record their position on the resolution. If a member rejects the resolution, they shall state in .2
writing the reasons and grounds for rejection. If any member cannot be reached, the secretary shall record that fact in
the resolution

Resolutions adopted by circulation, any reservations expressed by members, and the names of any members who .3
could not be reached shall be presented at the following meeting of the Board for inclusion in the minutes of that
meeting

(Article (186

The board of directors of the collective investment fund, the investment manager, and other service providers shall not
interfere with the activities of the Sharia Supervisory Board and shall enable it to perform its duties, including by
providing it with access to records and with information and documents relating to the investments of the collective
investment fund, and by providing it with the necessary assistance

Part Ten

General Meeting of Collective Investment Funds

(Article (187

.The general meeting shall be the supreme authority of the collective investment fund and shall comprise all unitholders

(Article (188

Each unitholder, or their representative duly authorized in writing in accordance with the form prepared for this
purpose, may attend the general meeting and shall have one vote for each investment unit they hold

Unitholders or their representatives shall also have the right to attend and vote on resolutions of the general meeting
through electronic systems. The fund's articles of association shall specify the mechanism for doing so

(Article (189

A unitholder registered under trust accounts or through a custodian may appoint the Operating Entity as their representative to attend the general meeting and vote on their behalf, provided that such representation is included in the terms of the agreement concluded between them

(Article (190

The annual ordinary general meeting shall be held within a period not exceeding ninety (90) days from the end of the financial year of the collective investment fund. The annual ordinary general meeting shall be competent to consider the following

- .Electing the members of the board of directors of the collective investment fund .1
- .Appointing and dismissing the auditor and determining their fees .2
- Reviewing and approving the report of the board of directors of the collective investment fund for the ended financial year .3
- .Approving Related Party transactions that require approval .4
- .Reviewing and approving the proposed distribution of profits to unitholders .5
- Reviewing and approving the auditor's report on the audited financial statements of the collective investment fund for the ended financial year .6
- .Approving the remuneration of the members of the board of directors and sitting fees .7

(Article (191

The ordinary general meeting shall decide on all matters that do not, in accordance with the provisions of these Regulations and the articles of association of the collective investment fund, fall within the competence of the board of directors

The ordinary general meeting shall also be convened whenever necessary or upon a request for its convening by persons representing at least ten percent (10%) of the capital, provided that the meeting is held within a period not exceeding thirty (30) days from the date on which the necessity arises or the request is submitted

If the board of directors fails to convene the general meeting within the specified period, the investment manager shall convene it within thirty (30) days from the expiry of the period referred to in the preceding paragraph

(Article (192

:The extraordinary general meeting shall be competent to consider the following matters

- .Amending the articles of association of the collective investment fund .1
- .Changing the primary investment objectives of the collective investment fund .2
- .Amending the dates for calculating the NAV or the NRV .3
- .Reducing the frequency or limits of redemption .4
- Changing the status of the collective investment fund by way of merger, demerger, conversion, or otherwise .5
- .Dissolving and liquidating the collective investment fund .6

(Article (193

The extraordinary general meeting shall be convened by the board of directors of the collective investment fund. If the board fails to convene the general meeting, the investment manager shall convene it

The notice shall not be valid unless it includes the agenda in accordance with the form prepared by the FSA. Both the notice and the agenda shall be signed by the chairman of the board of directors or the deputy chairman, the auditor, and the legal adviser or the investment manager, as the case may be

The agenda shall include any proposal submitted by one or more investors holding at least five percent (5%) of the capital, provided that the proposal is submitted at least fourteen (14) days before the date on which the notice to attend the meeting is sent to the unitholders

(Article (194

The chairman of the board of directors of the collective investment fund or the investment manager, as the case may be, shall submit the notice convening the general meeting and the agenda to the FSA for review and approval. The board of directors or the investment manager, as the case may be, shall be responsible for the accuracy of the information contained therein

(Article (195

The board of directors of the collective investment fund or the investment manager, as the case may be, shall publish the notice convening the general meeting and the agenda on the fund's website, through the Electronic Disclosure System, and through any other means of publication. The notice and agenda shall be issued in Arabic and published at least fifteen (15) days before the date specified for the meeting

(Article (196

The unitholders collectively, or their representatives, may convene a general meeting without observing the provisions prescribed for convening it. Such meeting may adopt any resolutions falling within its competence

(Article (197

The depository institution shall organize the administrative affairs of the general meeting in accordance with the rules and procedures established by the FSA

(Article (198

A general meeting shall be validly convened if investors attending the meeting, in person or by proxy, hold at least fifty percent (50%) of the investment units in the case of an ordinary general meeting and at least sixty percent (60%) of the investment units in the case of an extraordinary general meeting

If the required quorum is not met, a second general meeting shall be convened within a period not exceeding thirty (30) days from the date of the first meeting, by publishing the notice convening the meeting through an appropriate means of publication at least one week before the date specified for the meeting. The second ordinary general meeting shall be validly convened regardless of the percentage of attendance

For the second extraordinary general meeting to be validly convened, investors holding at least fifty percent (50%) of the investment units shall be present

(Article (199

The general meeting shall be presided over by the chairman of the board of directors of the collective investment fund, the deputy chairman, or the investment manager where the meeting is convened by the investment manager or where the chairman and deputy chairman of the board of directors of the collective investment fund are absent, as the case may be

The general meeting shall appoint a secretary to prepare the minutes of the meeting, recording therein the deliberations, the proposed resolutions, and the results of voting thereon. Any investor shall have the right to inspect such minutes

(Article (200

During the general meeting, the board of directors of the collective investment fund shall respond to any inquiry concerning the matters included in the agenda. The auditor shall respond to any inquiry concerning the financial statements audited by them or relating thereto, and the legal adviser shall respond to any inquiry concerning the legal status of the collective investment fund

(Article (201

No member of the board of directors of the collective investment fund may participate in voting on resolutions of the general meeting concerning the determination of the remuneration of board members or on any resolution in which they have a special interest

Related Parties shall not participate, whether in person or by proxy, in voting on resolutions adopted by the general meeting where they have an interest in such resolutions

.Resolutions shall be adopted by a majority of the votes cast after excluding the votes of interested parties

(Article (202

Voting on resolutions of the general meeting shall be open, except where the resolutions relate to the election or dismissal of members of the board of directors of the collective investment fund or to bringing liability proceedings against them, in which case voting shall be by secret ballot

(Article (203

Resolutions of ordinary and extraordinary general meetings shall be adopted by an absolute majority, unless the articles of association of the collective investment fund require a higher percentage

(Article (204

The collective investment fund shall prepare a statement specifying the number of units represented at the meeting in person and by proxy, the percentage of such units to the total number of investment units of the fund, and whether the required legal quorum has been met. The statement shall be signed by the legal adviser of the collective investment fund and the chairman of the meeting

(Article (205

The minutes of the general meeting shall be prepared on the official stationery of the collective investment fund, whether in paper or electronic form, and shall state the legal quorum of the meeting, the matters presented therein, the resolutions adopted in respect thereof, the number of votes in favor of and against each resolution, and the votes not cast in respect of the resolution

The minutes shall also record the discussions and deliberations that took place during the meeting, the reservations expressed by unitholders, and any matters they request to be recorded in the minutes

Where the collective investment fund amends its articles of association, the amendment shall be attached to the minutes, signed by the chairman of the meeting and the legal adviser, in accordance with the form prepared by the FSA for this purpose

(Article (206

The collective investment fund shall deposit the original minutes of the general meeting with the FSA within seven (7) working days, calculated from the day following the date on which the general meeting is held. The FSA shall certify four (4) copies of the minutes as evidence of deposit, upon payment of the prescribed fee. Where members of the board of directors were elected at the general meeting, the original nomination forms submitted to the FSA shall be attached

(Article (207

Unitholders may inspect the minutes of the general meeting at the head office of the fund. Any interested party may also request to inspect the minutes of general meetings held with the FSA and obtain a certified true copy thereof upon payment of the prescribed fee

(Article (208

The FSA may appoint an observer to attend the general meeting and monitor the procedures relating thereto and the resolutions adopted thereat

Part Eleven Distribution of Profits and Losses of Collective Investment Funds

(Article (209

Annual or interim profits shall be distributed pursuant to a resolution of the ordinary general meeting based on the latest audited financial statements

With the approval of the ordinary general meeting, part of the net profits may be converted into investment units allocated to the holders of such units, resulting in an increase in the issued capital by the value of such units

(Article (210

:Profits shall not be distributed to unitholders in any of the following cases

- If the distribution would impair the ability of the collective investment fund to pay its debts and financial obligations when due .1
.If the distribution is derived from fictitious profits .2
.If the collective investment fund has incurred a loss that has not been fully covered .3

The fund's creditors may apply to the competent court for the annulment of any distribution made in violation of the foregoing. Members of the board of directors who proposed or approved such distribution shall be jointly and severally liable to the creditors up to the amount of the profit distribution declared invalid

(Article (211

.No distribution shall be made except out of distributable profits after deducting all necessary costs

Part Twelve Changes in Capital and Maintenance Thereof

(Article (212

The board of directors of the fund shall take all measures necessary to preserve the fund's capital where the fund incurs a loss of twenty-five percent (25%) of its capital, and shall take the necessary measures to address the causes that led to such losses and restore the fund to profitability

Where the fund incurs a loss of fifty percent (50%) of its capital, the management shall convene an extraordinary general meeting to adopt the necessary resolutions in this regard, provided that the meeting is held within a period not exceeding thirty (30) days from the date on which the management ascertains the aforementioned percentage of loss

(Article (213

The capital of a collective investment fund may, pursuant to a resolution of the extraordinary general meeting, be reduced if it exceeds the needs of the fund, provided that such reduction does not result in the capital falling below the minimum prescribed in these Regulations

The capital may also be reduced pursuant to a resolution of the extraordinary general meeting if the fund has incurred losses

(Article (214

The authorized capital of a closed-ended collective investment fund, or its issued capital where it has no authorized capital, may be increased pursuant to a resolution of the extraordinary general meeting through private placement or a Rights Issue

Where the fund has authorized capital, the board of directors may, by resolution, increase the issued capital, provided that the increase remains within the limits of the authorized capital. The issued capital may also be increased by means of an in-kind contribution or by converting the fund's debts into investment units

Part Thirteen Private Placement

(Article (215

The board of directors of a closed-ended collective investment fund wishing to increase its capital by allotting investment units to one or more specified persons shall convene an extraordinary general meeting to obtain its approval in this regard. The agenda shall include a comprehensive summary of the private placement proposal, including the price and the basis on which it was calculated, the names of the persons to whom the investment units are proposed to be allotted, together with a brief description of the experience and qualifications of each of them, as well as the advantages and benefits expected to accrue to the fund from such allotment

If the persons to whom the investment units are proposed to be allotted are Related Parties of the fund, this shall be disclosed to the unitholders in the notice convening the extraordinary general meeting, together with a statement of their interests in relation to the fund

(Article (216

The collective investment fund shall obtain a financial guarantee from the persons to whom the private placement is addressed, prior to the extraordinary general meeting, to cover the value of the investment units allotted to them

(Article (217

Following approval by the extraordinary general meeting, the issue manager of the closed-ended collective investment fund shall submit the Prospectus to the FSA, in accordance with the form prepared by the FSA and after payment of the prescribed fee, for approval of the Prospectus

(Article (218

The closed-ended collective investment fund shall collect the subscription amounts within thirty (30) days from the date of the resolution of the extraordinary general meeting. If the subscription amounts are not collected within that period, the fund's management shall convene another extraordinary general meeting to renew its approval in this regard .if it wishes to proceed with the private placement proposal

(Article (219

A person to whom investment units are allotted for a capital increase through a private placement shall not dispose of such units until at least one (1) year has elapsed from the date of their listing on the Stock Exchange, without prejudice .to their right to create a second-ranking pledge over such units

This restriction shall not apply to investment units allotted after having been offered to unitholders pursuant to a Rights Issue

Part Fourteen
Subscription Pursuant to Rights Issues in Collective Investment Funds and Transfer Thereof

(Article (220

In the event of a capital increase, each investment unitholder shall have a Rights Issue entitlement to subscribe to a .number of new units in proportion to the number of units they hold

The provisions governing the issuance of investment units through public subscription shall apply to the issuance of investment units pursuant to a Rights Issue, except for the requirement to appoint three (3) collecting agents to receive .subscription applications

(Article (221

During the subscription period, Rights Holders may transfer all or part of their Rights Issue entitlement in respect of the additional units to which they are entitled to subscribe. The persons to whom such rights are transferred may .subscribe pursuant thereto or transfer them until the end of that period

(Article (222

Following approval of the Prospectus and at least five (5) working days before the record date for the Rights Issue, the closed-ended collective investment fund shall publish the issue announcement through appropriate means of publication. The announcement shall be issued in Arabic and shall contain a comprehensive summary of the Prospectus, including the amount and percentage of the capital increase, the issue price, the record date for the Rights Issue, the collecting agents, the subscription period, and the period during which the Rights Issue entitlement may be transferred .or exercised for subscription

The record date for the Rights Issue shall be specified in the Prospectus pursuant to a resolution of the extraordinary .general meeting or the board of directors, as the case may be

(Article (223

The Rights Issue entitlement may be transferred during a period commencing on the date of its listing on the Stock Exchange and ending on the date specified in the Prospectus, provided that such date is sufficiently in advance of the expiry of the subscription period. The Rights Issue entitlement shall be transferred independently of the investment .units

(Article (224

The issue manager shall coordinate with the depository institution and the Stock Exchange to complete the procedures for listing the Rights Issue entitlements on the Stock Exchange within a period not exceeding five (5) working days .from the record date

A register of Rights holders shall be prepared, on the basis of which transfers of the Rights Issue entitlements shall be .effected during the period specified for this purpose

(Article (225

At least three (3) days before the date specified for commencement of the exercise of the Rights Issue, the issue manager shall send a notice to each investment unitholder at the address recorded in the register of unitholders, .informing them of their Rights Issue entitlement and enclosing a summary of the Prospectus approved by the FSA

The notice shall specify the maximum number of additional units that may be subscribed for and the period specified for subscription pursuant to, or transfer of, the Rights Issue entitlement, which shall not exceed fifteen (15) days from the .date of publication of the announcement

(Article (226

Following the expiry of the Rights Issue subscription period, the issue manager shall match the final register of Rights
.Holders with the subscription applications received from the collecting agent

(Article (227

The subscription application may provide for an investment unitholder to subscribe for additional investment units if the
.additional units are not fully subscribed, in accordance with the manner specified in the Prospectus

If all or part of the additional units are not subscribed for by the investment unitholders within the specified period, the
board of directors of the closed-ended collective investment fund shall offer such units for public subscription or
private placement or reduce the amount of the capital increase by an amount equivalent to the value of the investment
.units not subscribed for

Part Fifteen Merger of Collective Investment Funds

(Article (228

:Collective investment funds may merge with one another by either of the following methods

Absorption: The dissolution of a collective investment fund and the transfer of its assets and liabilities to an .1
.existing collective investment fund

Combination: The dissolution of two or more collective investment funds and the establishment of a new .2
collective investment fund to which the assets and liabilities of each of the merged collective investment funds
.are transferred

(Article (229

:A merger by way of absorption shall be effected in accordance with the following procedures

The absorbed collective investment fund shall adopt a resolution for its dissolution and merger into the absorbing .1
.collective investment fund

The net assets of the absorbed collective investment fund shall be valued in accordance with its latest audited .2
financial statements; otherwise, the procedures for valuation of the assets shall be carried out in accordance with
.the legally applicable rules

The absorbing collective investment fund shall adopt a resolution to increase its capital in accordance with the .3
.result of the valuation of the absorbed collective investment fund

The capital increase shall be allotted to the unitholders of the absorbed collective investment fund in proportion .4
.to their holdings and investment units therein

(Article (230

:A merger by way of combination shall be effected in accordance with the following procedures

Each collective investment fund intended to be merged shall adopt a resolution for its dissolution and for the .1
establishment of the new collective investment fund in accordance with the rules prescribed under these
.Regulations

The assets and liabilities of the collective investment funds intended to be merged shall be valued in accordance .2
.with the legally applicable rules and transferred to the new collective investment fund

The new collective investment fund shall be established with capital not less than the net value of the assets of the .3
collective investment funds being dissolved. Each merged collective investment fund shall be allotted a number of
holdings or investment units equivalent to its holding or units in the capital of the new collective investment fund.

Such holdings or units shall be distributed among the unitholders of each merged collective investment fund in
.proportion to their holdings or investment units therein

(Article (231

A collective investment fund wishing to merge shall convene an extraordinary general meeting and attach thereto an
:explanatory memorandum satisfying the following requirements

.An explanation of the reasons for the merger and its effect on the collective investment fund and the unitholders .1
.The terms of the merger agreed between the collective investment funds wishing to merge .2

The result of the valuation of the assets and liabilities of each collective investment fund based on its latest .3
.audited financial statements, provided that such statements are not more than six (6) months old

The entity that carried out the valuation of the assets and liabilities and the accounting bases applied for such .4

.valuation
5 .The date used as the basis for the valuation
6 The consideration to be received by the unitholders following the merger and the bases used in determining such
consideration

The collective investment fund shall also attach a report containing the opinion of the auditor of the merged collective investment fund on the bases used in determining the consideration to be received by the merged collective investment fund or the new collective investment fund, as the case may be

(Article (232

The collective investment fund shall publish the merger resolution through the Electronic Disclosure System within seven (7) days from the date of its issuance; otherwise, the resolution shall be deemed null and void

The creditors of the collective investment fund may object to the merger resolution before the FSA within thirty (30) days from the date on which they are officially notified of the resolution or from the date of its publication, where the merger would prejudice their rights

If the collective investment fund does not settle the objection, the objecting creditors may bring an action before the competent court for annulment of the resolution within fifteen (15) days from the date of submission of the objection. The objection shall result in the suspension of the merger procedures until the collective investment fund settles the matter with the objecting creditors, obtains an order from the competent court permitting continuation of the merger procedures, or the period referred to in this paragraph expires without an action being brought

(Article (233

If no objections are submitted within the period stipulated in the second paragraph of Article (232) of these Regulations, the merger resolution shall be deemed final

The absorbing collective investment fund or the new collective investment fund, as the case may be, shall replace the merged collective investment funds in all their rights and liabilities from the date on which the details of the merged collective investment funds are registered in the records of the absorbing collective investment fund, where the merger is effected by way of absorption, or from the date on which the new collective investment fund is registered with the FSA, where the merger is effected by way of combination

.This shall be within the limits agreed upon in the merger agreement and without prejudice to the rights of creditors

(Article (234

The management of the collective investment funds that have resolved to merge shall continue in office until the merger becomes effective

Part Sixteen Liquidation of Collective Investment Funds

(Article (235

The management of a collective investment fund shall submit a recommendation to the extraordinary general meeting for the dissolution and liquidation of the collective investment fund for any of the following reasons

- 1 .Expiry of the term of the collective investment fund
- 2 .Fulfilment or expiry of the purpose for which it was established, in accordance with the provisions of the articles of association of the collective investment fund and the Prospectus
- 3 .(A decrease in the NAV to less than □500,000 (Five Hundred Thousand Omani Riyals
- 4 .Cessation by the collective investment fund of its activities without a legitimate reason
- 5 .A decrease in the NAV to a level at which the expenses borne by the investor become unreasonably high
- 6 .Upon a recommendation from the investment manager
- 7 .Agreement of all unitholders

A collective investment fund may also be dissolved by a court judgment upon the application of an interested party or the FSA

(Article (236

The extraordinary general meeting shall issue its resolution to dissolve and liquidate the collective investment fund, specifying the appointment of the liquidator, the liquidator's fees, and the liquidation procedures

The powers of the management of the collective investment fund and the service providers shall cease immediately

upon the appointment of the liquidator, provided that the liquidator is licensed to practice the accounting and auditing profession and is approved by the FSA

(Article (237

The liquidation shall be carried out in accordance with the resolution or court judgment ordering it. Where the resolution or judgment does not specify the liquidation procedures, the following procedures shall be followed

- .1 The liquidator shall notify all creditors of the commencement of liquidation by registered letters with acknowledgment of receipt sent to their addresses recorded with the collective investment fund. Where the addresses of creditors are not recorded, they shall be notified through the Electronic Disclosure System. The notice shall grant creditors a period of one hundred and eighty (180) days from the date of publication to submit their claims
- .2 The liquidation proceeds shall be used to discharge the obligations payable by the collective investment fund after payment of the expenses relating to its dissolution and liquidation. The remaining balance shall be distributed among the unitholders pro rata according to the number of units held by each of them
- .3 The liquidation period shall not exceed one (1) year from the date of the resolution or court judgment. The period may be extended by a decision of the FSA
- .4 Upon completion of the liquidation, the liquidator shall, within thirty (30) days from completion of the liquidation procedures, submit to the unitholders a report on the liquidation activities and a final account audited by the auditor of the collective investment fund for their approval

(Article (238

The liquidation shall be completed upon the unitholders' approval of the final report and final account. The liquidator shall deposit a copy of their approval with the FSA within seven (7) days from the date on which such approval is issued

The liquidator shall publish the unitholders' approval of the completion of the liquidation within two (2) days from the date of its deposit with the FSA

(Article (239

The FSA shall issue a decision to remove the collective investment fund that has been dissolved and liquidated from its registers

Part Seventeen Service Providers

First: General Provisions

(Article (240

A Service Provider may provide its services to more than one collective investment fund, provided that it establishes the necessary rules for the segregation of duties and functions to avoid conflicts of interest and provides its services with the care of a prudent person and the necessary diligence to serve the best interests of the fund and investors

(Article (241

:A Service Provider shall be one of the following legal persons

- .1 The fund administrator
- .2 The investment manager
- .3 The custodian
- .4 The external auditor
- .5 The legal adviser
- .6 Any other entity approved by the Board

(Article (242

.A Service Provider shall have sufficient equipment and human and financial resources to fulfil its obligations

(Article (243

.A collective investment fund shall entrust the management of its activities to an investment manager

(Article (244

It is prohibited to combine the activity of a custodian with the activity of an investment manager for the same collective investment fund.

It is also prohibited to combine the collective investment fund administration activity with the activity of an investment manager for the same fund.

(Article (245

An Operating Entity licensed to undertake the collective investment fund management activity may act as the custodian of the same fund, provided that it is licensed by the FSA to undertake the custodian activity.

(Article (246

A collective investment fund shall conclude a contract with each Service Provider specifying the rights and obligations of each party, and shall review the contract at least annually.

In all cases, the fund shall notify the FSA and attach a copy of the relevant contract where any Service Provider is changed.

Second: Custodian

(Article (247

The assets of a collective investment fund shall be held within the Sultanate of Oman by a custodian whose head office is located in the Sultanate of Oman. The custodian may hold such assets outside the Sultanate of Oman to facilitate overseas transactions, provided that the custodian appoints a sub-custodian to hold the assets outside the Sultanate of Oman.

The appointment of a sub-custodian shall not relieve the principal custodian of its responsibilities.

(Article (248

The prior written approval of the board of directors of the collective investment fund shall be obtained for all contracts concluded with a sub-custodian, provided that such contracts afford adequate protection to the assets in accordance with the terms agreed in the contract concluded with the principal custodian.

(Article (249

All contracts concluded with the principal custodian or a sub-custodian shall include provisions governing, at a minimum, the following matters:

1. The requirements enabling the collective investment fund to exercise the rights relating to the assets held by the sub-custodian.
2. The requirements relating to the place where the assets are held.
3. The method used for holding the assets.
4. The standard of care and liability for loss.
5. Audit and compliance reports.
6. Fees, the method of calculating them, and the timing of their payment.

(Article (250

Contracts concluded with the principal custodian or a sub-custodian shall not include provisions permitting any pledge over the assets of the collective investment fund, except in respect of claims by the principal custodian or sub-custodian for fees and expenses arising from the performance of their duties in such capacity.

Such contracts shall also not include any provision requiring fees or expenses to be paid to either of them in the form of a transfer of ownership of any of the assets of the collective investment fund.

(Article (251

The assets of the collective investment fund shall be registered in the name of the principal custodian, the sub-custodian, or their representative, with an account number or other distinguishing identifier recorded in the records of the principal custodian, sub-custodian, or their representative indicating that ownership of such assets belongs to the collective investment fund.

(Article (252

The principal custodian and the sub-custodian shall exercise the care of a prudent person in safeguarding the assets of the collective investment fund and shall act to protect the interests of the collective investment fund in every action or transaction.

Each shall bear full responsibility for any loss of the collective investment fund's assets resulting from negligence or misconduct on their part or on the part of their personnel

Third: External Auditor

(Article (253

The board of directors of the collective investment fund shall appoint an external auditor from among the audit firms approved by the FSA

(Article (254

The external auditor shall have the right to inspect the books of the collective investment fund, request data and clarifications, verify its assets and liabilities, and submit a report thereon to the board of directors of the collective investment fund

(Article (255

The external auditor of a collective investment fund shall not be the same auditor as that of the investment manager of the same fund

(Article (256

The external auditor shall be appointed for one (1) financial year. The same audit firm shall not be appointed for more than four (4) consecutive financial years and may not be reappointed until two (2) financial years have elapsed

(Article (257

Where the FSA suspends or cancels the approval of an external auditor, the external auditor shall immediately cease performing their duties. The board of directors of the fund shall take the necessary procedures to remove the external auditor and appoint another external auditor

Fourth: Legal Adviser

(Article (258

The board of directors of a collective investment fund shall engage one of the law firms or legal consultancy firms licensed in the Sultanate of Oman and approved by the FSA

(Article (259

:The legal adviser shall carry out the following duties

1. Ensure the collective investment fund's compliance with the applicable laws, regulations, and instructions within the scope of work assigned to it
2. Prepare and review the incorporation documents of the collective investment fund and any subsequent amendments thereto, in accordance with the applicable laws, regulations, and instructions
3. Review and approve Prospectuses after verifying that all legal requirements have been fulfilled and that they comply with the applicable laws and regulations, the articles of association of the collective investment fund, and its internal regulations
4. Prepare, review, and approve the contracts and agreements assigned to it to which the collective investment fund is a party with other entities, to ensure that all legal requirements have been fulfilled
5. Review and approve the agendas of general meetings and ensure that the procedures for convening such meetings are carried out in accordance with the provisions of the Law, these Regulations, the articles of association of the collective investment fund, and the instructions issued by the FSA in this regard
6. Verify the validity of the composition of the board of directors of the collective investment fund throughout its term
7. Verify, jointly with the board of directors of the collective investment fund, the validity of the convening of general meetings and supervise the conduct of such meetings to ensure compliance with all requirements stipulated in these Regulations
8. Attend general meetings, review and approve their minutes, and verify their compliance with the applicable laws and regulations and the articles of association of the collective investment fund
9. Review and approve nomination forms for membership of the board of directors of the collective investment fund, ensure that they contain all required information and data, and verify that the election process is conducted in accordance with the applicable laws and regulations
10. Provide legal opinions on other cases and matters falling within the scope of its work and referred to it by the

.board of directors of the collective investment fund
Carry out any other legal duties and responsibilities assigned to it by the board of directors of the collective .11
.investment fund

Chapter Six Issuers

Part One General Provisions

(Article (260

An Operating Entity and branches of foreign companies may underwrite issues approved by the FSA after obtaining the .FSA's approval for each issue separately and paying the prescribed fee

The Operating Entity or branch of a foreign company shall demonstrate their financial solvency to the FSA before obtaining such approval. They may contract with a sub-underwriter, provided that such contract shall not relieve the .Operating Entity or branch of the foreign company of their responsibility

Part Two Disclosure by Issuers

(Article (261

The issuer shall disclose the data and information required to be published under the Law or these Regulations through the Electronic Disclosure System stipulated in the Regulation for Public Joint Stock Companies. The same provisions .and rules stipulated in that Regulation shall apply to the issuer

(Article (262

The board of directors of the issuer shall adopt internal disclosure policies and procedures designed to ensure the :following

- .1 .Fair and timely disclosure of material information relating to the issuer
- .2 .The integrity, accuracy, and adequacy of disclosed information in a manner that does not mislead investors
- .3 .Prevention of any trading in its securities based on undisclosed information

(Article (263

The board of directors of the issuer shall be responsible for ensuring the issuer's compliance with the disclosure provisions. It shall appoint one or more persons from among its members or the executive management to carry out the :following duties

- .1 .Act as the official spokesperson for the issuer
 - .2 .Prepare and draft disclosure statements
 - .3 Provide data and information to the FSA, the Stock Exchange, consumers, financial analysts, and the media as .required by the disclosure provisions
 - .4 Monitor trading activity in the securities of the issuer and take the necessary immediate measures in the event of .unusual trading activity
 - .5 Inform the members of the board of directors and the executive management of the disclosure provisions, the .related policies and procedures, and the legal obligations arising from non-compliance therewith
- .The issuer shall notify the Stock Exchange of the names of such persons and all their contact details

The board of directors may establish rules governing interaction between the issuer and the media, investors, and .analysts

(Article (264

The person or persons appointed by the board of directors of the issuer to carry out the duties stipulated in Article :(263) of these Regulations shall meet the following requirements

- .1 .Have full knowledge of the disclosure provisions and of the data and information required to be disclosed
- .2 Be continuously available in a manner that ensures that any emergency problem arising suddenly or unexpectedly .is promptly addressed

(Article (265

The issuer shall immediately disclose the resolutions of the general meeting sufficiently in advance of the commencement of trading. The Stock Exchange may suspend trading in the shares of the issuer if it fails to comply with this obligation

(Article (266

The issuer shall immediately disclose the recommendations and resolutions of its board of directors concerning the distribution of dividends. It shall schedule the meeting of the board of directors for the approval of resolutions relating to the distribution of dividends at least ten (10) days before the date on which such dividends become due

(Article (267

Subject to the provisions of any cross-listing agreements between the Stock Exchange and other financial markets, an issuer listed on more than one Stock Exchange shall disclose the same data and information simultaneously in all financial markets in which its securities are listed, regardless of the principal market on which such securities are listed

(Article (268

The issuer shall not disclose to specific parties any material data or information, including preliminary financial results, particularly to financial analysts or financial institutions, before such information is disclosed to the public in accordance with the provisions of the Law and these Regulations

(Article (269

The issuer shall disclose any changes or amendments to previously disclosed data or information and state the reasons therefor, indicating that the latest disclosure constitutes a correction of data or information previously disclosed

(Article (270

The FSA or the Stock Exchange may require the issuer and its auditor to provide additional clarifications concerning disclosed data and information, or any other data, information, or documents, within the period specified for this purpose

(Article (271

.The Board may issue disclosure rules for issuers that issue securities other than shares and investment units

**Part Three
Data and Information to Be Disclosed by the Issuer**

(Article (272

The issuer shall prepare unaudited quarterly financial statements for the first, second, and third quarters of its financial year and disclose them immediately upon their approval by its board of directors

In all cases, the meeting of the board of directors shall be held within a period not exceeding thirty (30) days from the end of the relevant quarter of its financial year, or forty-five (45) days in the case of an issuer with subsidiaries

:The disclosure shall include the following

Consolidated financial statements and separate financial statements of the parent company for issuers with subsidiaries .1

.(Statement of financial position (balance sheet .2

.Statement of profit or loss and comprehensive income .3

.Statement of cash flows .4

.Statement of changes in shareholders' equity .5

.Notes to the aforementioned financial statements .6

.Significant events affecting the performance of the issuer .7

The reasons for material changes when comparing the two quarterly periods, whether with the preceding quarter or .8
.with the corresponding period of the preceding financial year

(Article (273

The issuer shall disclose its preliminary unaudited quarterly and annual results immediately upon completion thereof. In all cases, such disclosure shall be made within a period not exceeding fifteen (15) days from the end of the relevant quarter or financial year, as the case may be

In the case of an issuer with subsidiaries, it shall present the preliminary results of the parent company and the consolidated preliminary results, where available, provided that consistency is maintained in presenting the information

(Article (274

The preliminary results required to be disclosed pursuant to Article (273) of these Regulations shall include, at a minimum, the following

- .1 .(Gross sales (revenue
- .2 .(Cost of sales (total expenses
- .3 .Expected net profit before and after deduction of the tax provision
- .4 .Comparative figures for the aforementioned items for the corresponding period of the preceding year
- .5 .An explanation of the reasons for material changes in net profit or loss between the relevant quarterly or annual periods
- .6 .A clear statement in the disclosure that the results are preliminary and unaudited
- .7 .The reason for the change in net profit or loss during the current period compared with the corresponding period of the preceding year
- .8 .Any exceptional or non-recurring event, or any event outside the core business or activities of the issuer, that has a material effect on net profit or loss
- .9 .Any other items requested by the FSA or which the issuer considers necessary to disclose

(Article (275

An issuer listed on the Stock Exchange shall prepare audited annual financial statements and disclose them immediately upon their approval by its board of directors. The following reports shall be attached to such financial statements

- .1 .Board of Directors' Report
- .2 .Management Discussion and Analysis Report
- .3 .Corporate Governance Report
- .4 .(Sustainability Report (ESG
- .5 .A comprehensive and detailed report of all transactions and dealings with Related Parties
- .6 .The auditor's report on the Corporate Governance Report
- .7 .The auditor's report on the audited financial statements

The issuer shall include in the reports stipulated in this Article the data specified by the FSA in accordance with the form issued by it for this purpose

(Article (276

The financial statements shall be prepared in accordance with the International Financial Reporting Standards (IFRS) and shall include all information and data necessary to present fairly the financial position of the issuer and its performance during the relevant financial period

They shall also disclose any changes made to the accounting policies previously applied by the issuer and the effects of such changes. The Board may prescribe additional disclosure requirements

(Article (277

Where any of the standards stipulated in Article (276) of these Regulations conflict with the legislation in force in the Sultanate of Oman, such legislation shall prevail

.The issuer and its auditor shall disclose such conflict and explain its effect on the financial statements

(Article (278

The issuer shall make its financial statements available in both Arabic and English and publish such statements on its website

The issuer shall ensure that no financial data or material information is published on its website before being disclosed through the Electronic Disclosure System

(Article (279

The auditor of the issuer shall audit the financial statements in accordance with the International Standards on Auditing (ISA). The auditor's report on the financial statements shall include confirmation of the following

- .1 .That the structure and sections of the audit report comply with the International Standards on Auditing
- .2 .Whether the auditor has any qualifications or reservations in respect of the accounts and, where applicable, the

.effect of such qualifications or reservations on the figures contained in the financial statements of the issuer

(Article (280

The auditor of the issuer shall issue a separate report containing their opinion on the Corporate Governance Report and whether it is free from any material misstatement in presentation and complies with the requirements of the form .issued by the FSA

(Article (281

:An issuer that changes its financial year shall comply with the following rules

If the financial period extending from the end of the previous financial year, before the change, to the end of the .1
new financial year, after the change, does not exceed six (6) months, the first financial year shall be deemed
.extended for a period not exceeding eighteen (18) months

The issuer shall continue to submit unaudited quarterly financial statements until the end of the new financial year. In this case, the issuer shall prepare an annual report for the first financial year and convene the general meeting for its .approval

If the financial period referred to in the preceding item exceeds six (6) months, an audited annual report shall be .2
submitted for the previous financial year, before the change, as well as an audited annual report for the new
.financial year, which shall be less than twelve (12) months

.The ordinary general meeting shall be convened to approve each financial year separately

(Article (282

Where issuers restate or republish financial statements that contain errors or misstatements and that were previously submitted through the Electronic Disclosure System, such financial statements shall be submitted as new files bearing a .new date and clearly indicating that they are amended financial statements

.The issuer shall also disclose the reasons for the amendment

Part Four Immediate Disclosure of Material Information by Issuers

(Article (283

The issuer shall immediately disclose all material information relating to it or its subsidiaries through the Electronic Disclosure System, provided that all material information arising before the commencement of the trading session shall .be disclosed at least one (1) hour before the start of the trading session

The issuer shall maintain the confidentiality of such information to the greatest extent possible until it is disclosed to .the public

.The FSA may issue a form specifying the material information that must be disclosed immediately

(Article (284

The issuer may request the Stock Exchange to temporarily suspend trading upon the occurrence of an event requiring .immediate disclosure. The event shall be disclosed as soon as possible after the suspension

The request may be submitted verbally by the official spokesperson of the issuer, provided that it is subsequently .confirmed in writing and supported by the reasons for the request and the requested suspension period

The Stock Exchange may approve or reject the request for suspension of trading or shorten the requested period. The .Stock Exchange shall resume trading within thirty (30) minutes after the information has been disclosed

(Article (285

The FSA may direct the issuer to withhold disclosure of any information where it deems .appropriate, provided that the issuer maintains the confidentiality of such information

(Article (286

Material information shall be disclosed through a statement prepared by the issuer in both

The Stock Exchange shall publish and disseminate such information through an appropriate means that makes it available to consumers on the Stock Exchange. The Stock Exchange shall also establish appropriate communication channels between itself, the FSA, and visual, audio, and print media for the dissemination of all data and information disclosed by the issuer

(Article (287

When preparing a statement disclosing material information, the issuer shall observe the following requirements

1. The statement shall be factual and clear, and negative information shall be disclosed to the same extent as positive information

2. The statement shall contain sufficient details to enable consumers to understand the matter, assess the significance of the information contained therein, and evaluate its effect on the financial position and earnings performance of the issuer

3. The statement shall be balanced and fair. It shall avoid omitting material facts that may adversely affect the financial position of the issuer, shall not present potentially positive circumstances as certain or overstate the likelihood of their occurrence, and shall not present any projections or estimates unless supported by sufficient factual grounds

4. Reasonable efforts shall be made to avoid complex technical expressions, unnecessary details, or promotional comments

5. Where it is not possible to assess the impact and effect of the information on the future of the issuer, this shall be stated together with the reasons preventing such assessment

(Article (288

The issuer shall, at the request of the Stock Exchange or on its own initiative, organize a press conference concerning material information previously disclosed where further clarification is required. All Operating Entities, local media, and consumers shall be invited to attend the press conference

(Article (289

Where the issuer has reasonable grounds to believe that disclosure of material information would have an adverse effect, it may treat such information as confidential and shall not be required to disclose it until the reasons for withholding disclosure cease to exist, provided that the confidentiality of such information is maintained and that no trading is carried out by insiders who have access to it

The cases in which the issuer may refrain from disclosure shall be limited to the following

1. Where immediate disclosure would impair the ability of the issuer to achieve its objectives

2. Where the information to be disclosed is not yet settled, particularly in relation to matters that remain under negotiation

3. Where disclosure would prejudice the competitive advantage of the issuer

(Article (290

The issuer shall require the advisory entities with which it deals and any other potential parties that may have access to material information by virtue of their relationship with the issuer to sign a Non-Disclosure Agreement (NDA), under which such entities and parties shall undertake

.not to disclose such information or use it for purposes other than those agreed upon

(Article (291

An issuer that holds undisclosed material information shall monitor trading activity in its securities on the Stock Exchange and shall immediately disclose such information upon the occurrence of any unusual trading activity in its securities

(Article (292

The issuer shall issue a statement confirming, denying, or correcting information where newspapers, analytical reports, social media, or rumors address undisclosed material information or any incorrect information

(Article (293

The issuer shall update its basic information on the Stock Exchange's website whenever any amendment occurs by completing all relevant fields in both Arabic and English immediately and, in all cases, within a period not exceeding two (2) working days from the date of the amendment

Part Five Transactions of Insiders

(Article (294

The issuer shall provide the Stock Exchange with a list of the names of Insiders, including, at a minimum, the members of its board of directors and executive management, their spouses and first-degree relatives, their private companies, and any other companies in which they serve in executive management or as members of the board of directors, within thirty (30) days from the end of its financial year

The issuer shall also notify the Stock Exchange of any change to this list during the year within seven (7) days from the date of the change, in accordance with the rules specified by the Stock Exchange

(Article (295

The Stock Exchange shall verify the compliance of Insiders with the provisions of these Regulations when dealing in securities

(Article (296

An Insider shall not deal in the securities of the issuer on the basis of undisclosed material information. An Insider shall also not facilitate access by any other person to material information before it is disclosed

(Article (297

An Insider shall refrain from dealing in securities listed on the Stock Exchange in respect of which they have become aware of material information, from disclosing such information or providing advice based thereon to another person who is not an Insider, and from communicating or causing the communication of inside information, directly or indirectly, to other persons

An Insider shall also refrain from inducing other persons to deal in securities on the basis of inside information in their possession

(Article (298

A broker responsible for executing transactions shall not provide financial advice to any person

.on the basis of inside information obtained by reason of or in connection with their work

The broker shall also not execute any order for the benefit of any consumer where the broker
.knows that the order is based on inside information

Part Six Harmful Acts and Practices in Securities

(Article (299

No person shall engage or participate in any conduct or practice involving manipulation or deception in relation to an order or transaction in a security where that person knows the nature of such conduct or practice, or where evidence exists that would enable that person to
.know the nature of such conduct or practice

(Article (300

No person shall execute a transaction or transactions in a security that do not result in a genuine
.change in ownership for the purpose of influencing the price or inflating trading volume

(Article (301

No person shall enter an order or orders to buy or sell a security for any of the following
:purposes

Influencing the closing or opening price of any security with the intention of misleading .1
.consumers

.Raising the price of a security for the purpose of inducing others to purchase it .2

.Lowering the price of a security for the purpose of inducing others to sell it .3

Entering an order or series of orders in a security without any intention of executing .4
.them

.Creating bogus trading for the purpose of inducing others to buy or sell .5

(Article (302

An Operating Entity licensed to undertake the brokerage activity shall, when executing buy or sell orders, whether for the account of any of its employees or for the account of its clients,
.comply with the rules issued by the Stock Exchange in this regard

(Article (303

An Operating Entity licensed to undertake the brokerage activity shall not exploit the trading orders of other consumers or engage in front-running that would result in a profit or the
.avoidance of a loss

(Article (304

No person shall, orally or in writing, make any false statement or provide any incorrect information relating to a material fact, or omit to disclose any information that they are required to disclose under the relevant rules and regulations, where such conduct would affect the price
.of a security or induce another person to buy or sell a security

(Article (305

No person shall, directly or indirectly, disseminate, publish, or promote rumors or any false statement relating to a material fact, or express an opinion or provide advice for the purpose of

influencing the price of a security or for any other purpose intended to manipulate the price of
.the security

Chapter Seven

Grievances Committee

(Article (306

The Committee shall consider and determine grievances submitted by concerned parties against decisions issued by the FSA, the Chairman of its Board of Directors, or its Executive President, relating to the application of the provisions of
.the Law, these Regulations, and the decisions and instructions issued in implementation thereof

An employee of the Legal Affairs Department at the FSA, designated by a decision of the Executive President, shall act
.as secretary to the Committee

The Committee shall exercise its functions with full independence, and its decisions shall not be subject to any
.direction or interference from any entity

(Article (307

A grievance shall be submitted to the Secretariat of the Committee through the electronic system, shall be prepared in
:Arabic, and shall include the following data and documents

1. The name, capacity, and address of the person filing the grievance .

2. The number and date of the decision being challenged, together with a copy thereof, if available .

3. A statement of the grounds for the grievance and the supporting documents .

4. The claims sought by the grievance .

A grievance that does not include the aforementioned data or documents shall not be accepted. The person filing the grievance shall be notified to complete them within ten (10) working days from the date of notification; otherwise, the
.grievance shall be deemed null and void

(Article (308

:The Secretariat of the Committee shall carry out the following

1. Register the grievance under a serial number in the register prepared for this purpose.

2. Present the grievance to the Chairman of the Committee to schedule a hearing in coordination with the members of the Committee.

3. Notify the FSA by providing it with a copy of the grievance together with the submitted documents.

4. Notify the parties to the grievance of the venue and time of the hearing at least seven (7) days before it is held.

(Article (309

The Committee shall hold its meetings at the invitation of its Chairman. A meeting of the Committee shall be valid only if all its members are present.

Its decisions shall be adopted by majority vote. In the event of a tie, the side with which the Chairman votes shall prevail.

The Committee may seek the assistance of any persons it deems appropriate with expertise or specialization in different fields, without such persons having voting rights.

(Article (310

The meetings, deliberations, minutes, and all information, data, and documents submitted to the Committee shall be confidential.

The Committee may hold certain hearings in public where it considers this to be in the public interest.

(Article (311

The submission of a grievance shall not result in the suspension of the implementation of the challenged decision.

The Committee may, upon the request of the person filing the grievance, suspend implementation until the grievance is determined if it considers that the request is based on serious grounds.

(Article (312

The person filing the grievance may attend the hearing in person, authorize another person to represent them, or appoint
.a lawyer

They may provide any clarifications or information relating to the relief sought and the grounds stated in the grievance,
.and submit any documents relating thereto

(Article (313

If any party fails to attend a hearing or to submit any documents requested from them, the Committee may continue the proceedings for consideration of the grievance and issue its decision based on the memoranda or documents submitted
.to it

(Article (314

The Secretary shall prepare the minutes of the Committee's meetings. The minutes shall include a summary of the discussions held during the meeting, the decisions adopted by the Committee during its consideration of the grievance,
.and any other matters that the Committee considers necessary to include

.The minutes shall be signed by the Chairman of the Committee and the Secretary

(Article (315

Without prejudice to the provision of Article (61) of the Law, the Committee shall determine the grievance within thirty (30) days from the date of its submission or from the date of receipt of the clarifications or completion of the
.requirements requested by the Committee, as the case may be

.The Committee's decision shall state the reasons on which it is based and shall be final

(Article (316

The Secretary shall notify the parties to the grievance of the Committee's decision within a period not exceeding seven
. (7) days from the date of issuance of the decision, by email or by any other means

(Article (317

Without prejudice to Article (315) of these Regulations, the Committee may, on its own initiative or at the request of
.any party to the grievance, correct any clerical or calculation errors in its decisions

The correction shall be made in writing on the original copy of the decision and shall be signed by the Chairman of the .Committee and the Secretary

Appendix

Fees for Services Provided by the FSA

Due	(Fee Amount (□		Service	.No
.One time upon submission of the application	Initial subscription: □2,000 (Two .(Thousand Omani Riyals Subsequent subscriptions: □250 (Two Hundred and Fifty Omani .(Riyals		Review of the Prospectus for the issuance of investment units in a collective investment fund	1
The fee shall be calculated cumulatively as a percentage of the issue value according to the rate specified for each tranche and shall be .paid once before receiving the approval	Rate applied to the tranche	Issue value stated in the Prospectus	Approval of the Prospectus for the issuance of investment units in a collective investment fund	2
	0.025%	Less than or equal to □10,000,000 (Ten .(Million Omani Riyals		
	0.020%	More than □10,000,000 (Ten Million Omani Riyals) up to □25,000,000 (Twenty- Five Million Omani .(Riyals		
	0.017%	More than □25,000,000 (Twenty-Five Million Omani Riyals) up to □50,000,000 (Fifty .(Million Omani Riyals		
	0.014%	More than □50,000,000 (Fifty Million Omani Riyals) up to □100,000,000 (One Hundred Million Omani .(Riyals		
	0.012%	More than □100,000,000 (One Hundred Million Omani Riyals) up to □250,000,000 (Two Hundred and Fifty Million .(Omani Riyals		
	0.010%	More than □250,000,000 (Two Hundred and Fifty Million Omani Riyals) up to □1,000,000,000 (One .(Billion Omani Riyals		
	0.005%	More than □ 1,000,000,000 (One .(Billion Omani Riyals		
.One time upon submission of the application	.(□500 (Five Hundred Omani Riyals		Review of an application for licensing an Operating Entity	3
1st of each Initial fee: Annually on January .year, or upon the listing of any new securities Final fee: The fee shall be calculated cumulatively as a percentage of the market value at the end of the financial year according to the tranches specified against each tranche and shall be paid at the end of the fourth .quarter of the financial year	Initial annual fee: □2,000 (Two .(Thousand Omani Riyals Final annual fee: According to the .(table below			4

If the listing takes place during the year, the fee, whether initial or final, shall be calculated pro rata for the remaining months of the year, with any fraction of a month being rounded as .a whole month		Annual supervision of issuers	
	Rate applied to the tranche	Market value of the security	
	0.025%	Up to □50,000,000 (Fifty .(Million Omani Riyals	
	0.020%	More than □50,000,000 (Fifty Million Omani Riyals) up to □100,000,000 (One Hundred Million Omani .(Riyals	
	0.015%	More than □100,000,000 (One Hundred Million Omani Riyals) up to □200,000,000 (Two Hundred Million Omani .(Riyals	
	0.010%	More than □200,000,000 (Two Hundred Million Omani Riyals) up to □300,000,000 (Three Hundred Million Omani .(Riyals	
	0.003%	More than □300,000,000 (Three Hundred Million Omani Riyals) up to □500,000,000 (Five Hundred Million Omani .(Riyals	
	0.001%	More than □500,000,000 (Five Hundred Million .(Omani Riyals	
Entities granted more than one license shall receive a discount on the total fee payable as :follows .Three (3) licenses: 10% discount .Four (4) licenses: 15% discount .Five (5) to six (6) licenses: 20% discount .Seven (7) to eight (8) licenses: 25% discount .Nine (9) or more licenses: 30% discount	Brokerage: □5,000 (Five .1 .(Thousand Omani Riyals Market making: □2,500 (Two .2 Thousand Five Hundred Omani .(Riyals Investment banking: □56,000 .3 .((Fifty-Six Thousand Omani Riyals Margin financing: □2,500 (Two .4 Thousand Five Hundred Omani .(Riyals Custodian: □5,000 (Five .5 .(Thousand Omani Riyals Product structuring: □15,000 .6 .((Fifteen Thousand Omani Riyals Securities portfolio management: .7 □10,000 (Ten Thousand Omani .(Riyals Asset management: □10,000 (Ten .8 .(Thousand Omani Riyals Collective investment fund .9		Initial licensing to undertake an activity of an Operating Entity
			5

	management: □10,000 (Ten .(Thousand Omani Riyals Investment manager: □10,000 .10 .((Ten Thousand Omani Riyals Issue management: □ 15,000 .11 .((Fifteen Thousand Omani Riyals Research and advice related to .12 investment and listed securities on the Stock Exchange: □ 10,000 (Ten .(Thousand Omani Riyals Marketing of non-Omani .13 securities: □15,000 (Fifteen .(Thousand Omani Riyals Agent for bondholders or .14 Sukukholders: □5,000 (Five .(Thousand Omani Riyals		
Entities granted more than one license shall receive a discount on the total fee payable as follows: .Three (3) licenses: 10% discount .Four (4) licenses: 15% discount .Five (5) to six (6) licenses: 20% discount .Seven (7) to eight (8) licenses: 25% discount .Nine (9) or more licenses: 30% discount	Brokerage: □2,000 (Two .1 .(Thousand Omani Riyals Market making: □1,000 (One .2 .(Thousand Omani Riyals Investment banking: □28,000 .3 (Twenty-Eight Thousand Omani .(Riyals Margin financing: □1,000 (One .4 .(Thousand Omani Riyals Custodian: □3,000 (Three .5 .(Thousand Omani Riyals Product structuring: □10,000 .6 .((Ten Thousand Omani Riyals Securities portfolio management: .7 □5,000 (Five Thousand Omani .(Riyals Asset management: □5,000 (Five .8 .(Thousand Omani Riyals Collective investment fund .9 management: □5,000 (Five .(Thousand Omani Riyals Investment manager: □5,000 .10 .((Five Thousand Omani Riyals Issue management: □5,000 (Five .11 .(Thousand Omani Riyals Research and advice related to .12 investment and listed securities on the Stock Exchange: □5,000 (Five .(Thousand Omani Riyals Marketing of non-Omani .13 securities: □10,000 (Ten Thousand .(Omani Riyals Agent for bondholders or .14 Sukukholders: □3,000 (Three .(Thousand Omani Riyals	Renewal of a license to undertake an activity of an Operating Entity	6
One time upon approval for the Operating Entity to underwrite an issue	□5,000 (Five Thousand Omani .(Riyals	Underwriting an issue	7
.One time upon submission of the application	□300 (Three Hundred Omani .(Riyals	Review of an application for a securities-related Service Provider	8
.One time upon approval of the application	□2,000 (Two Thousand Omani .(Riyals	Registration of a securities-related Service Provider	9
.One time upon approval of the application	□3,000 (Three Thousand Omani .(Riyals	Licensing of credit rating agencies	10
.One time upon approval of the application	□2,000 (Two Thousand Omani .(Riyals	Renewal of a credit rating agency license	11
.One time upon deposit	□10 (Ten Omani Riyals) for each .copy certified by the FSA	Deposit of the minutes of a general meeting and amendment of the articles of association of a collective	12

		investment fund	
.One time upon submission of the grievance	.(□50 (Fifty Omani Riyals	Submission of a grievance to the Grievances Committee	13