



“Regulating,
Developing
and
Promoting”

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THE CAPITAL MARKET IN THE SULTANATE OF OMAN

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AGENDA

PUTTING
OURSELVES IN
YOUR SHOES
WHEN
DEVELOPING OUR
BUSINESS PLANS
AND ALIGNING
WITH OMAN 2040



What is currently available?



What is in the pipeline?



What is currently available?



Listing on the Parallel Market of the MSX

- No profit track record requirement – including greenfield companies.
- Minimum RO 1 million (US\$ 2.6 million) paid-up capital for converted public joint stock companies from another legal form.
- Minimum RO 2 million (US\$ 5.2 million) paid-up capital as a new public joint stock company.
- Suitable for any company including bigger size SMEs.
- Special Purpose Acquisition Companies (SPACs).





Bonds and Sukuk



- Foreign currency denominated (USD, Euro, etc.)
- Euroclear account within MCD has been activated:
 - International investors to tap into Oman bonds and sukuk especially sovereign ones, which fits the Eurobond structure.
 - Omani investors tap into foreign bonds and sukuk easily
- Dual listing options.

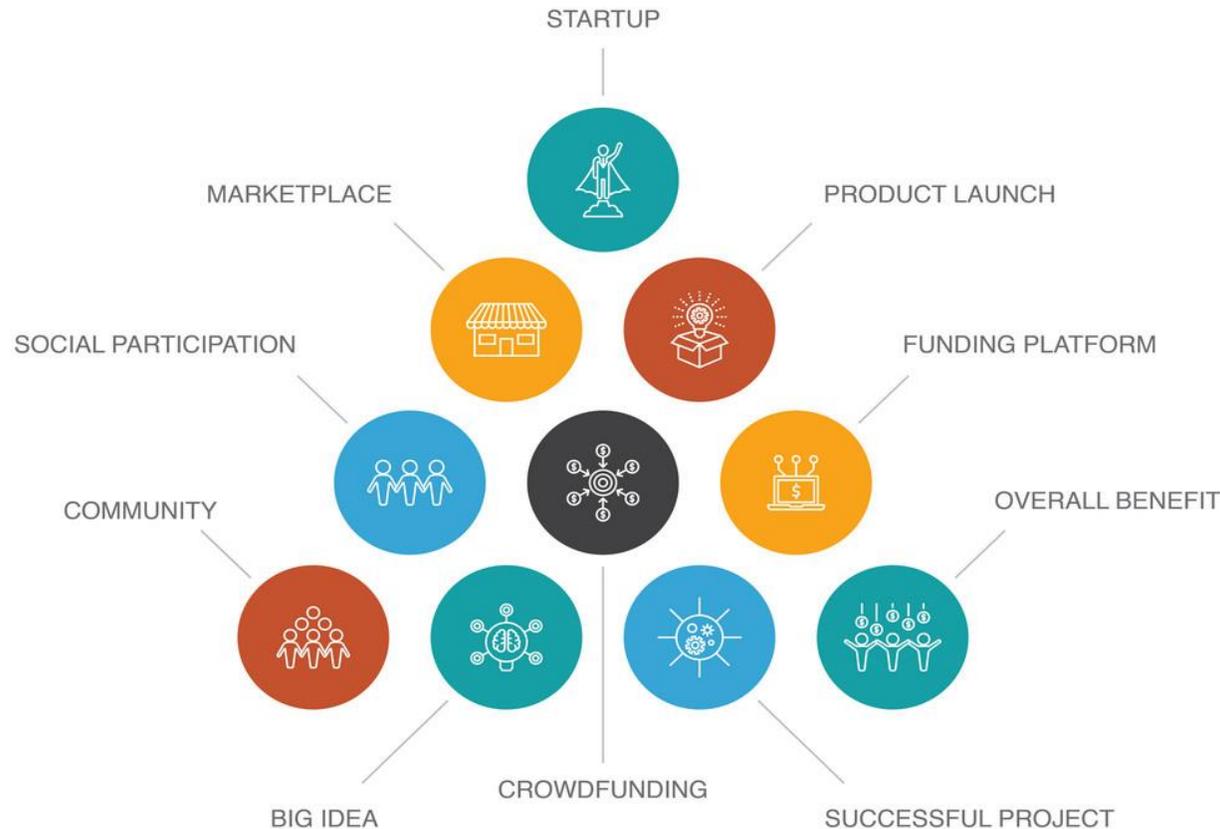


Investment funds / REIT funds

- An ESG Private Equity Investment Fund can be established in partnership with a good licensed Investment Manager to raise funding from private investors and invest in commercially viable ESG-based companies or projects with potential returns.
- The investment fund can also be used to raised funding from local and global investors through a crowdfunding platform which the CMA had introduced in Oman.
- REIT funds monetize and unlocks the capital required from the company's assets and provide liquidity. The REIT may raise funds to pay off part of the existing borrowings.



CROWDFUNDING



- Enhancing access to finance
- Regulation issued
- 8 platforms
- Cross-border issuance & investment
- Global traction



1. Allowing **both conventional and Islamic** crowdfunding Fintech platforms.
2. The **1st in the GCC region** to allow **global cross-border fundraisings and investments** where most countries do not provide.
3. Under the new Rules on Crowdfunding Platforms issued on 21 November 2021, the **Oman CMA** will be regulating all crowdfunding activities for companies - **a one stop center for donation-based, rewards-based, equity-based and P2P financing.**
4. Targeted for Startups/SMEs, but **no restriction on the size of the companies** seeking crowdfunding.
5. Companies able to securitize receivables and issue investment notes through P2P financing crowdfunding to raise short-term financing and for investors to invest.
6. Companies able to attract sophisticated and angel investors, including retail investors, **both local and globally.**
7. No restriction on investments by sophisticated investors in the companies seeking crowdfunding.





(a) Crowdfunding fintech platforms (Phase 1) – Primary Market

- The crowdfunding regulatory framework which we had established in Oman is the **1st in the GCC region** to allow **global cross-border fundraising and investments** where most countries do not provide.
- Under the new Rules on Crowdfunding Platforms issued on 21 November 2021, the **Oman CMA** will be regulating all crowdfunding activities for companies in Oman – **Donation-based, Rewards-based, Equity-based and P2P financing.**
- Companies able to securitize receivables and issue investment notes through P2P financing crowdfunding to raise short-term financing and for investors to invest through the platforms.

(b) Crowdfunding fintech platforms (Phase 2) – Secondary Market

- For Phase 2, the CMA is exploring to allow a secondary market to be operated by the crowdfunding platforms.
- This will allow an easier exit mechanism for the initial investors and attract more investors and companies to the crowdfunding platforms.



1. Newest in the region
2. IOSCO
3. Principle based - catering for growth 10-15 years
4. Provide for more investor protection
5. Provide for variety of products and services - derivatives, SME exchange, etc.



New Securities Law



- Resilient regime
- Enhanced monitoring and cooperation mechanisms
- Good response from regulated entities

AML/CFT

Anti Money Laundering &
Counter Financing of Terrorism





Disclosure
Platform



Adopted in 2021



All disclosures



All regulated entities (CMI, listed, mutual funds, etc.)



SOEs – OIA



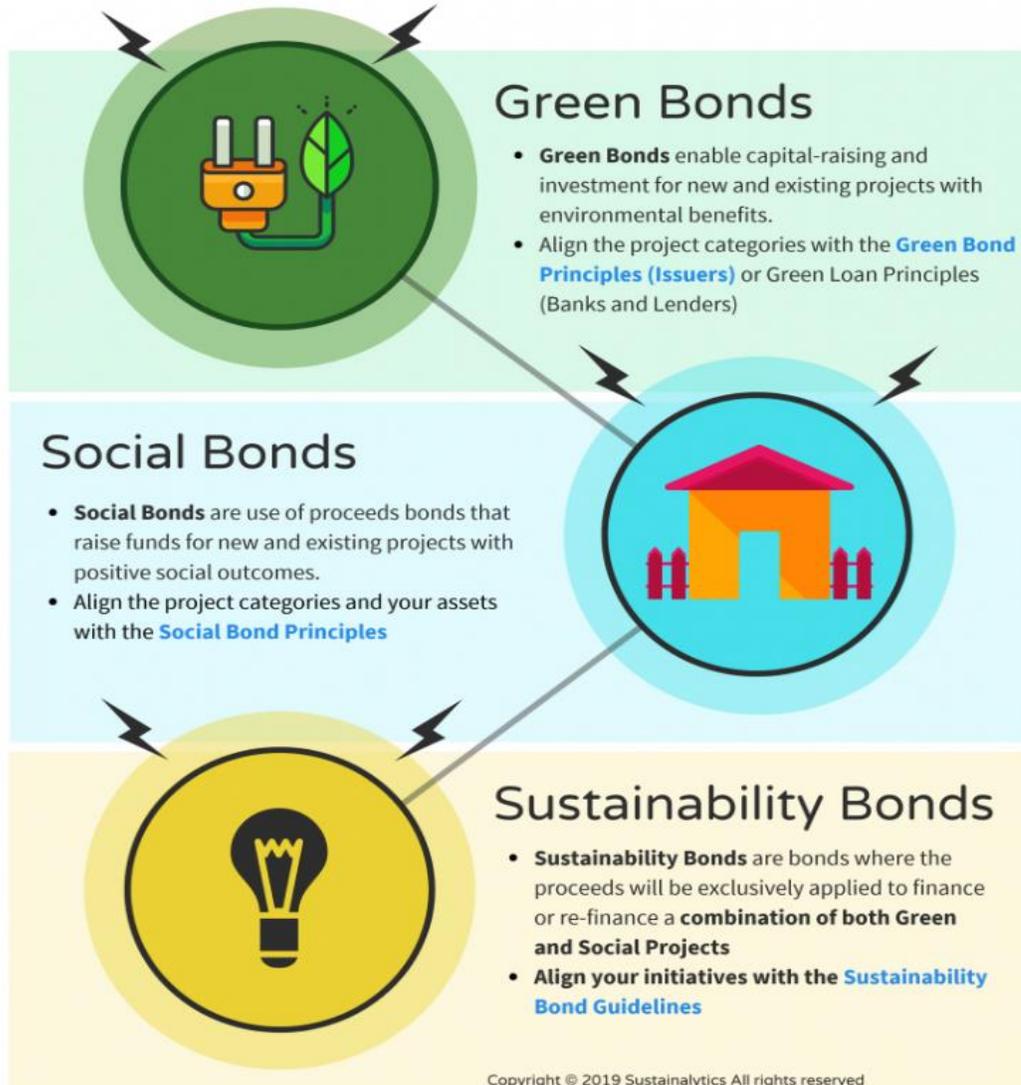
Member of XBRL International



Taxonomy and awareness



What is in the pipeline?



Innovative and Alternative Finance

1. New bonds and Sukuk regulation: Innovative, sustainable green, blue, social, waqf, etc.
2. Green Finance Initiative
3. Carbon Exchange
4. ESG disclosure requirement:
 1. Voluntary
 2. Equity: MSX
 3. Debt instruments: MOF



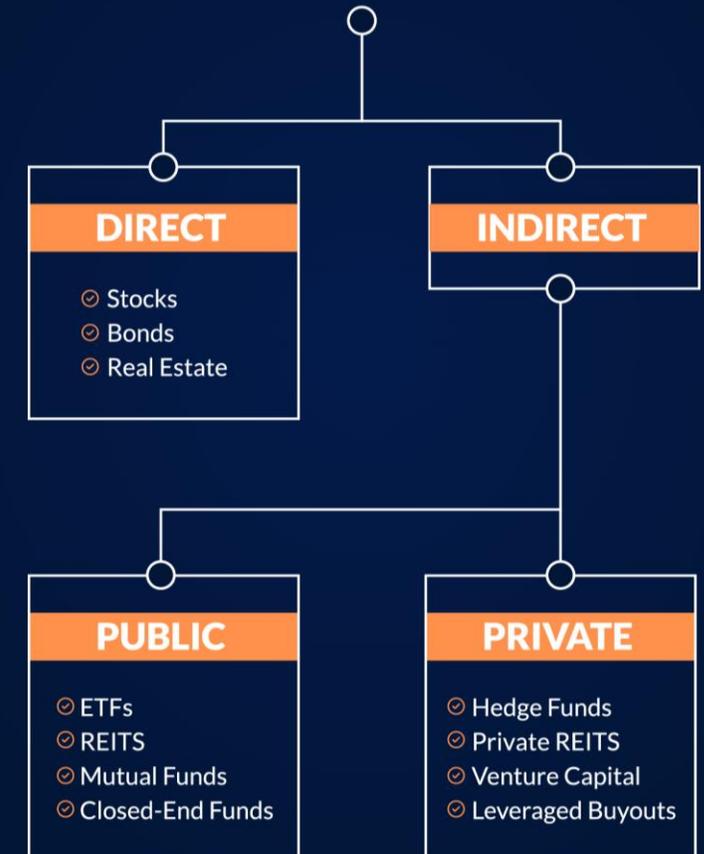
Debt instruments – Sustainable/ESG Bonds & Sukuk

- New bonds and Sukuk regulation to provide more efficiency in the issuance of bonds and Sukuk to reduce the time and cost for companies to issue such instruments and raise funds quickly, i.e. 1-day filing process and only English prospectus for private placement.
- Introducing Sustainable/ESG bonds and Sukuk framework for green, blue, social and Awqaf projects – to attract a wider investor base including global investors.
- ESG-based companies can issue a sustainable or green bond/Sukuk to raise funding for their projects or even a normal bond/Sukuk issuance.



- ✓ Private Equity and Venture Capital Funds
- ✓ Exchange Traded Funds

Investment **VEHICLES**





PE & VC investment funds

- New regulatory framework for private equity (PE) & venture capital (VC) funds being introduced – provides more clarity and flexibilities on the current investment funds regulatory framework.
- No restrictions on the type & amount of investments to be made by the fund, i.e. for startups/SMEs.
- Ease of establishment for the PE & VC funds – 1 day filing with the Oman CMA.
- Simplified prospectus/offer document and only in English.
- Offered to sophisticated, angel and high net worth investors.
- Proposed exemption of the fund manager once-off licensing fee for 1 year as an incentive.



VIRTUAL ASSETS



VA Regulatory Framework harnessing opportunities presented by VA and VASPs



Virtual or Digital Assets

- The CMA is currently in the midst to set up a regulatory framework for virtual assets and virtual assets service providers including crypto assets, tokenization of assets, crypto exchange and initial coin offerings.
- Real estate tokenization allows representing pieces of real estate ownership in the form of blockchain-based tokens that can be offered to investors, similar to the tokenization of bonds and Sukuk – more secured than traditional crypto assets.
- Real estate tokens represent shares of an SPV, a company that holds the property and do not directly represent physical parts of a real estate.
- Crypto exchanges will enable investors to invest in real estate tokens, thereby providing more liquidity to property developers interested in raising funds for their projects.
- Tokenized assets being more liquid are preferred by investors, especially when listed on a crypto exchange, allowing investors to buy or sell at their choosing, thus attracting a far wider investor base to enter this market.



1. National Fintech Team
2. Sandbox approach
3. Cooperation arrangement with the CBO for payments



FINTECH



Blockchain



Payment



Exchange



Research



Digital Money



Online Banking



Investment



Crowdfunding

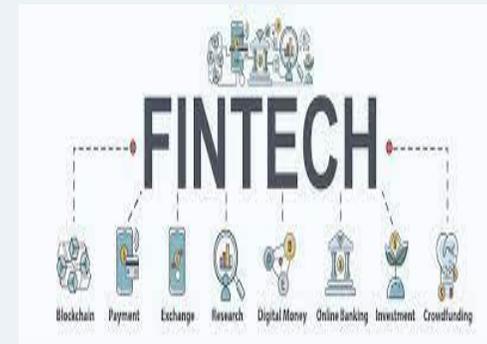


Fintech sandbox

- New Fintech Sandbox Regulatory Framework to encourage more Fintech experimentation & startups so that promising innovations and ideas related to digital solutions, services and products linked to the capital market and insurance sectors can be tested in a regulatory sandbox, subject to the regulation and supervision of the CMA.
- This will ensure the integrity and security of the financial market, and allows collection of data on the rewards and risks inherent to such ideas.
- Applicants can apply to enter the regulatory sandbox to experiment within a well-defined space and duration.

Some Fintech startup applications...

- Smartphone applications
- Robo-advisory for fund management
- Blockchain for secured contracts, including blockchain Sukuk
- Secured transactions for crowdfunding platforms
- Insurance smart contracts
- Artificial intelligence for portfolio allocation



بورصة مسقط

MUSCAT STOCK EXCHANGE

Investors Roadshow



نتقدم بثقة
Moving Forward
with Confidence



الهيئة العامة لسوق المال
Capital Market Authority
Keep Evolving
نظرون بمستقبلنا



THANK YOU

For any further information
or assistance, please get in
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