

PSDG/Banks/2023/068

30 July, 2023

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

After compliments,

Subject: Guidelines for Implementation of IBAN in the Sultanate of Oman

1. Reference is invited to circular letter No. PSDG/Banks/2022/087 dated November 10, 2022 on the subject matter.
2. As you are aware, a Consultative Working Committee (CWC) comprising members from various banks, Oman Banks Association (OBA) and relevant departments of the Central Bank, was constituted to recommend 'Draft Guidelines for Implementation of IBAN' in the Sultanate of Oman and the related roll-out plan. Considering the valuable insights and recommendations put forth by the Committee, the Central Bank is delighted to release the "Guidelines for Implementation of IBAN" as detailed in the attached **Annexure**.
3. The "Guidelines" cover various aspects such as IBAN Specifications, scope and usage of IBAN, generation of IBAN and the verification process.
4. It may also be recalled that Central Bank of Oman, based on the recommendations of the Committee, had conducted a workshop in February 2023, to ensure banks readiness for smooth rollout of IBAN implementation. The workshop encompassed various key aspects, including the benefits of implementing IBAN, proposed IBAN structure for Oman, project plan, measures to be undertaken by the banks and cross-country experiences.
5. All licensed banks are required to implement, in coordination with the CBO Initiative Leads, the high-level/roll-out plan as under: -

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- (i) Make necessary changes in the banking systems, including but not limited to, Core Banking Systems, Net Banking Interface, Mobile Banking Apps and Transaction Processing Intermediary Systems.
 - (ii) Complete the testing phase within the specified time and ensure readiness for deployment.
 - (iii) Post completing the necessary changes and testing, prepare the production systems for commencing generation and verification of IBAN.
 - (iv) Conduct an 'awareness campaign', through multiple channels, advising the customers on, the benefits of usage of IBAN and the ways to generate and use IBAN for international transactions.
 - (v) Banks should provide an online service to their customers to generate and validate IBAN number. Further, banks are also required to publish/upload in their websites, the 'Guidelines'.
6. Once all the banks are ready to Go-Live, the Central Bank will be activating 'Oman IBAN' with SWIFT, to commence adopting IBAN for international transactions. CBO will also initiate the process of registering 'Oman IBAN format' with SWIFT shortly.
 7. The Central Bank of Oman will provide an online service, through its website, for validation of IBAN number against the approved format structure in Oman, besides publishing/uploading the 'Guidelines'.
 8. We also advise that the existing cheques/cheque books should continue to be honoured by the banks, till new cheque books are issued to the customers.
 9. Please note that the 'Phase I' of the 'IBAN implementation' will involve only 'International Transactions' and will **go-live** on **December 24th, 2023**.

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10. The go-live date for 'Phase II', involving 'domestic transactions', will be communicated, upon review of progress of implementation of 'Phase I'.
11. Keeping in mind the expected benefits of implementation of IBAN, banks are advised to take needed steps within the specified time to ensure preparedness from all aspects in coordination with the CBO Initiative Leads and ensure compliance.
12. Banks may please contact 'CBO-Initiative Leads', Mr. Abdullah Al Rawahi (Phone: 24149173 and Email: Abdullah.alrawahi@cbo.gov.om) and Mr. Mohamed Juma Al Siyabi (Phone: 24149086 and Email: Mohamed.alsiyabi@cbo.gov.om), for further guidance and queries, if any.

Best regards,


Tahir Salim Al Amri
Executive President



Encl.: Guidelines for Implementation of IBAN

Copy to:
The Chief Executive Officer
Oman Banks Association



Central Bank of Oman
Continuous Enhancement & Prosperity

CBO Guidelines for IBAN Implementation in the Sultanate of Oman

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1. Introduction

Implementation of International Bank Account Number (IBAN) is an initiative to strengthen Oman's financial services by facilitating the exchange of account identification and the End-to-End processing of payment instructions worldwide. IBAN is the internationally accepted standard (ISO 13616-1:2020) for identifying Bank accounts across national borders with a minimal risk of transcription errors.

The IBAN provides a unique account number internationally, for each **customer account**, which allows the sending bank to validate the accuracy of beneficiary's account number. Accordingly, any Electronic Payment containing a validated IBAN could be credited faster to the beneficiary's account in straight through processing (STP) without any manual intervention, minimizing delays and without any extra costs associated with the validation of account details and non-execution/ return of transactions due to incorrect account numbers.

The adoption of IBAN does not require changing the existing account numbers. Instead, the IBAN will include the existing account numbers in a standardized format, which could be validated by banks using a standard methodology.

The Central Bank of Oman had constituted an IBAN Consultative Working Committee, comprising representatives from Oman Association of Banks (OBA) and banks, to work out the structure of the IBAN and to build a road map for its smooth roll out or implementation. Having considered the ISO IBAN Standards and views of Banks, the Committee has drafted the IBAN format for the Sultanate of Oman. The implementation of the IBAN Standard will be a shared responsibility of CBO, OBA and banks.

The IBAN format and its structure has been ~~are~~ defined in the IBAN Standard ISO 13616:2020, which can be accessed on the ISO website www.iso.org/home.html. SWIFT (Society for Worldwide Interbank Financial Telecommunication) acts as the registration authority for ISO 13616 compliant national IBAN formats. As of February- 2023, 83 countries have already registered in the IBAN Registry available online at <http://www.swift.com>.

2. Scope of this IBAN Standard Document

This IBAN Standard document contains the:

- (a) Format, structure and length of the IBAN for Sultanate of Oman.
- (b) Electronic and printed format of IBAN.
- (c) Scope, generation and usage of the IBAN.
- (d) Parties authorized to generate and issue IBAN.
- (e) The methodology for generation and validation of the IBAN as well as the requirements for the validation.

3. IBAN Specifications

The IBAN Standard provides an ISO 13616-1:2020 compliant IBAN format for customer account numbers in the Sultanate of Oman.

3.1. Definitions

In this IBAN Standard document, the following terms and definitions apply:

“**CBO**” Central Bank of Oman.

“**Bank**” shall mean all licensed banks listed in Annexure (II) as amended by CBO.

“**Bank Identifier**” shall mean the identifier that uniquely identifies the financial institution. The Bank Identifier for Sultanate of Oman is the three-digit bank code which uniquely identifies the Bank (where the customer maintains the respective account).

“**Basic Bank Account Number (BBAN)**” shall mean the identifier that uniquely identifies an individual account at a specific financial institution in a particular country and which includes a Bank identifier of the financial institution servicing that account. The BBAN of Sultanate of Oman has two components: Bank Identifier of the Bank having that account and the Core Customer Account Number.

“**Capture of IBAN**” shall mean converting an IBAN in paper format to electronic format.

“**Core Customer Account Number**” shall mean the customer account number at a Bank, which is used to make and receive an Electronic Payment.

“**Electronic Payment**” shall mean an electronic fund transfer or an electronic payment to and from customer accounts which take place between Banks.

“**Generation of IBAN**” shall mean the one-time process of creating an IBAN for a customer account.

“**International Bank Account Number (IBAN)**” shall mean an expanded version of the Basic Bank Account Number (BBAN), intended for use internationally, which uniquely identifies an individual account at a specific financial institution, in a particular country.

“**Straight Through Processing (STP)**” is the procedure for transferring funds electronically without manual intervention.

“**Validation or Checking of IBAN**” shall mean the process of checking the check digits of an IBAN to ensure that it is a valid IBAN.

3.2. Length of IBAN

The IBAN for Sultanate of Oman is fixed in length, **23 characters**, to make it as long as per the requirements and as short as possible to ensure convenience to customers and Banks.

3.3. Format and Structure of IBAN

The IBAN structure for Sultanate of Oman consists of **three** components:

- (i) **Country Code:** The first **2 characters** of the IBAN are fixed as “OM”, which is the ISO 3166-1 two letter Country Code that identifies Oman as the country where the bank that services the customer account is located.
- (ii) **Check Digits:** The third and fourth characters of the IBAN are numeric and represent the check digits (**2 digits**) which are generated by the bank that issues the IBAN. The purpose of

check digits is to verify the accuracy of the IBAN. The scheme for calculating and validating the check digit of the IBAN is based on ISO/IEC 7064 (MOD97-10) and is defined in ISO 13616-1:2020. **Annexure I** provide more details on this scheme. The scheme for generating check digits is the same across all countries that use IBAN, ensuring uniformity and accuracy.

Related documentation

The following documents are referenced to in these guidelines, which can be obtained from the website of ISO (www.iso.org):

- ISO 3166-1, Codes for the representation of names of countries and their subdivisions-Part 1: Country codes.
- ISO/IEC 7064, Information Technology - Security techniques - Check character systems.
- ISO 9362, Banking - Banking telecommunication messages-Business identifier code (BIC).
- ISO 13616-1, Financial services - International bank account number (IBAN) - Part 1: Structure of the IBAN.
- ISO 13616-2, Financial services - International bank account number (IBAN) - Part 2: Role and responsibilities of the Registration Authority.

(iii) **BBAN (Basic Bank Account Number)**: is the domestic part of the code that uniquely identifies a customer's account number at their respective bank in Oman, including Bank Identifier. The BBAN starts from the fifth character and continues to the twenty-third character of the IBAN code. The following are the characteristics of the BBAN:

- It has a fixed length of **19 characters** and a fixed position in the IBAN code.
- It consists of two parts: The Bank Identifier (BID) and the Core Customer Account Number.
- The BBAN contain only numeric characters (0 to 9) without special characters such as separators and punctuations.

Bank Identifier (BID): is the first three characters of the BBAN and uniquely identifies the bank where the customer maintains their account. The following are the characteristics of the BID:

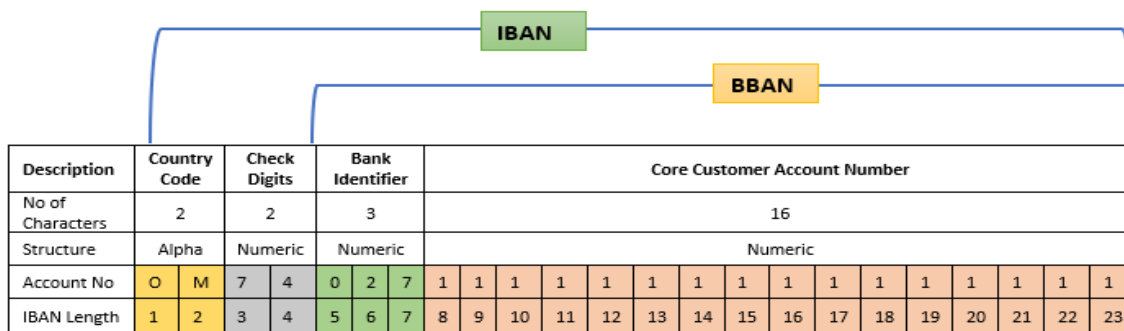
- It has a fixed position and length of 3 digits in both the BBAN and IBAN codes.
- A list of bank identifier digits is provided in **Annexure II**.

Core Customer Account Number: is an account number which identifies the customer's account at a Bank in Sultanate of Oman. The following are the characteristics of the Core Customer Account Number:

- The length of the Core Account Number in the BBAN is fixed at 16 numeric characters for Oman and is right-aligned.
- It may be necessary to pad leading zeros at the beginning of the Core Account Number to ensure the required fixed length.
- This standard does not specify a format for the contents of the Core Customer Account Number, except it shall be numeric characters. Therefore, each bank can maintain its current Core Customer Account Numbers, which may comprise a branch code, account number, account type, product code, currency code, serial number, and check digit, among others.

3.4. Presentation Format of IBAN

Structure of IBAN



IBAN shall be represented in the following two formats:

a) Electronic Format

The IBAN shall be presented in the form of a continuous string of characters in Electronic Payment messages.

Example:

OM350180000001299123456

b) Print format

Since IBAN is relatively long (for example, printed in the Bank account statements) the IBAN shall be divided into groups of four characters and printed in paper documents for easy readability. Each group shall be separated by a blank space of one character. The last group of an IBAN of a Bank customer account in Sultanate of Oman shall have a length of three characters.

Example:

OM35 0180 0000 0129 9123 456

The format structure and content of IBAN is explained below, with examples:

Example 1: IBAN for a Core Customer Account Number with 16 characters (Numeric)			
IBAN electronic format example: OM740110045718123456701			
IBAN print format example: OM74 0110 0457 1812 3456 701			
Header		BBAN (Basic Bank Account Number)	
		011 0045718123456701	
OM	74	011	0045718123456701
Country Code (Alpha)	Check Digits (Numeric)	Bank Identifier (Numeric)	Core Customer Account Number (may include currency code + account type + customer A/C number + sequence no.) (Numeric)
2 character	2 digits	3 digits	16 digits
Total 23 digits for Oman IBAN			

Example 2: IBAN for a Core Customer Account Number (1299123456) with 10 characters (Numeric)				
IBAN electronic format example: OM350180000001299123456				
IBAN print format example: OM35 0180 0000 0129 9123 456				
Header		BBAN (Basic Bank Account Number)		
		018 0000 1299 1234 56		
OM	35	018	000000	1299 1234 56

Country Code (Alpha)	Check Digits (Numeric)	Bank Identifier (Numeric)	Additional zeros required to match the length of the Core Customer Account Number to the fixed length of 16 digits.	Core Customer Account Number (may include account type + branch code + customer A/C number) (Numeric)
2 character	2 digits	3 digits	16 digits	

4. Scope and Usage

4.1. Scope

The IBAN shall be used by Banks and their customers for Electronic Payments, which includes:

- a. All Cross-border incoming Electronic Payments to customer accounts of Banks in Sultanate of Oman from customer accounts of banks/financial institutions in “Countries that have adopted IBAN” as well as “Countries that have not adopted IBAN”.
- b. Domestic Electronic Payments to and from customer accounts of Banks in Sultanate of Oman.
- c. Cross-border outgoing Electronic Payments from customer accounts of Banks in Sultanate of Oman to customer accounts of banks/financial institutions in “Countries that have adopted IBAN” where the use of IBAN is mandatory.

Customers shall be allowed to use IBAN in making cross-border, outgoing Electronic Payments from their Bank accounts in Sultanate of Oman to customer accounts of banks/financial institutions in “Countries that have adopted IBAN” but the use of IBAN is not mandatory.

Transactions Type	Domestic Payment in Oman	Cross Border IBAN Participant Country	Cross Border Non IBAN Participant Country
Incoming	√	√	√
Outgoing	√	√	X

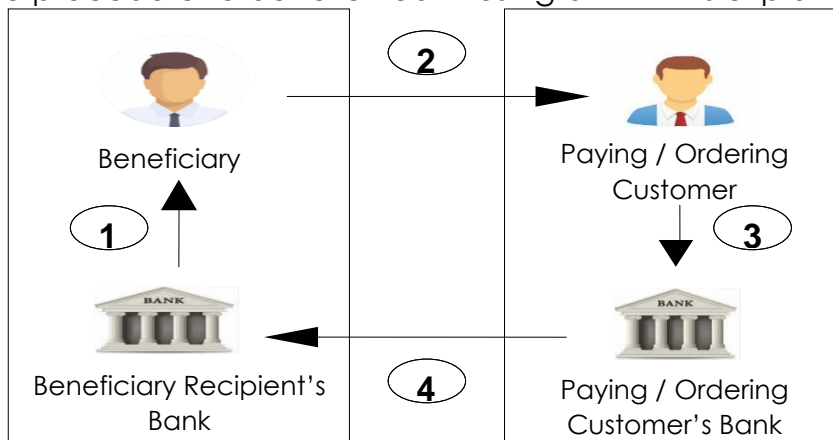
In this IBAN Standard, the term 'Countries that have adopted IBAN' refers to nations that are officially registered in the IBAN registry at SWIFT. This registry serves as a comprehensive database of countries that have implemented the IBAN.

4.2. IBAN Usage

Banks shall use IBAN to identify a customer account which makes or receives an Electronic Payment through a Bank. Accordingly, any customer who makes or receives an electronic financial transaction, as specified in sub-section 4.1 above, needs to use IBAN. The role of Banks in using IBAN in the processing of an Electronic Payment involves recognition, capturing and validation of IBAN.

Banks shall request the customer initiating an Electronic Payment to a customer in another country, where the use of IBAN is mandatory, to provide the IBAN of the beneficiary.

The procedure to be followed in using an IBAN is explained below:



1. The Bank holding the beneficiary's (recipient's) account generates and provides the IBAN to the beneficiary.
2. The beneficiary communicates the IBAN to the paying customer/ordering customer.

3. The paying/ordering customer submits an electronic fund transfer/payment order, which includes the beneficiary's IBAN.
4. The paying/ordering customer's Bank validates the IBAN (using MOD 97-10 method developed according to the ISO/IEC 7064) in the outgoing payment message. After the receipt of the incoming payment message, the beneficiary's (recipient's) Bank validates the IBAN and credits the money to the beneficiary's account.

5. Generating and Issuing IBAN

5.1. Generation of IBAN

IBAN generation shall be done only by the Bank where customer maintains his/her account.

Banks shall use the scheme given in the ISO 13616-1:2020 [which is based on the scheme defined in ISO/IEC 7064 (MOD 97-10)] to generate the check digits of the IBAN of a customer account and ensure the accuracy of the check digits of the IBAN.

5.2. Issuing and Awareness Creation on IBAN

Banks that maintain the customer account shall:

- a. Provide the IBAN to each of their existing and new customers on the date as specified by the CBO.
- b. Adopt adequate measures to communicate IBAN and create awareness on the proper usage of IBAN to their customers.
- c. Indicate the IBAN of the customer of the Bank in the header of the customer's Bank account statement(s), on the date specified by the CBO. Banks may use any other means to communicate the IBAN to their customers.
- d. Advise their customers, well in advance, that it is mandatory to use IBAN in payment orders/messages relating to customer Electronic Payments, as specified in the section "Scope and Usage" above.
- e. Advise their customers about the requirement to inform their IBANs to various parties from whom they receive and expect to receive payments, both, domestic and cross border.
- f. Advise their customers that an incorrect IBAN will result in either crediting the payment to a wrong account or the payment

being delayed/rejected, noting that such payment into wrong account may enjoy the finality as set out in Article (104) of the Banking Law.

6. Check Digit Generation and Validation

Banks shall use the scheme given in the ISO 13616-1:2020 [which is based on the scheme defined in ISO/IEC 7064 (MOD 97-10)] to generate and validate the check digits of the IBAN of a customer and ensure the accuracy of the check digits.

It is mandatory for Banks to validate the check digit of the followings:

- a. Cross-border outgoing Electronic Payments from customer accounts of Banks in Sultanate of Oman to customer accounts of Banks/financial institutions in “Countries that have adopted IBAN” where the use of IBAN is mandatory.
- b. Outgoing Electronic Payments from Bank accounts in Sultanate of Oman to customer accounts of banks/financial institutions in “Countries that have adopted IBAN” but the use of IBAN is not mandatory, if the IBAN of the beneficiary is provided.
- c. Cross-border incoming Electronic Payments to customer accounts of Banks in Sultanate of Oman from customer accounts of banks/financial institutions in “Countries that have adopted IBAN” as well as “Countries that have not adopted IBAN”.
- d. Domestic Electronic Payments to and from customer accounts of Banks in Sultanate of Oman.

In the case where a Bank acts as a correspondent Bank and receives a payment against an account of another Bank in Sultanate of Oman, prior to entering the outgoing payment, the respective Bank shall validate the IBAN.

Online tools to validate the structure of IBANs are provided by a number of organizations. Annexure I provide examples of how to generate a check digit and validate a check digit of an IBAN.

6.1. Check Digit Generation

Steps to be followed in generating check digits are summarized below:

Version 1: ISO IBAN Standard for Sultanate of Oman

- Move the country code and check digit (mark with '00') to the right end of the BBAN.
- To calculate the check digit, temporarily convert the letters in the IBAN into numbers (numeric) using the "Alpha Characters to Digits Conversion" table given below.

Table 1: Alpha Characters to Digits Conversion

A	10	N	23
B	11	O	24
C	12	P	25
D	13	Q	26
E	14	R	27
F	15	S	28
G	16	T	29
H	17	U	30
I	18	V	31
J	19	W	32
K	20	X	33
L	21	Y	34
M	22	Z	35

- Apply the check character system MOD 97-10 as per the ISO/IEC 7064. The final remainder should be subtracted from 98. If the result is a one-digit number (less than 10) it is required to add a zero '0' at the beginning to derive the check digit.

6.2. Check Digit Validation

A customer may provide the IBAN in either electronic format or paper format. If the customer has stated the beneficiary's IBAN in paper format, it is necessary to convert it to electronic format (by deleting all empty spaces and any nonalphanumeric characters).

Method of Validating the IBAN Check Digits is summarized below:

- Move the first 4 characters (country code and two check digits) to the end of the BBAN.

Version 1: ISO IBAN Standard for Sultanate of Oman

- Convert the letters to numbers using conversion table 1 above.
- Apply check character system MOD 97-10 as per the ISO/IEC 7064.
- If the remainder is '1', the check digits of the IBAN are considered valid.

Annexure I:

Examples of Generating and Validating IBAN Check Digits:

(i) Check Digit Generation

Preparatory Step:

Assume that it is required to convert the Core Customer Account Number of **1299123456** at the National Bank of Oman (NBO) into an IBAN.

Create an artificial IBAN comprised of:

- **Oman Country Code** 'OM', as per ISO 3166 (positions 1 and 2).
- **Check digit** mark with '00' (positions 3 and 4).
- **Bank Identifier** of NBO 018 (position from 5 to 7).
- **Core Customer Account Number**. Since the length of the Core Customer Account Number (**1299123456**) is less than 16 characters, '**000000**' should be added at the beginning to make it 16 characters long (position 8 to 23).

Result: OM000180000001299123456.

Step 1:

Move the first four characters "**OM00**" to the right end of the number as follows:

Result: 0180000001299123456OM00.

Step 2:

Convert the letters '**OM**' to numbers (numeric) using the conversion Table 1 above:

Result: 0180000001299123456242200

Step 3:

Apply **MOD 97-10** algorithm (as per the ISO/IEC 7064).

If the number is too long, then the calculation can be split into consecutive remainder calculations: on integers with a maximum length of **9** digits.

Accordingly, it is required to divide the first **9** digits of the number by **97** and calculate the remainder. In this example (**018000000/97**) the remainder is **01**.

Step 4:

Replace the digits **018000000** with the remainder **01**: For example: **11299123456242200**.

Step 5:

Repeat step No. 3 with the first 9 digits of the number arrived at step 4 above: **Result: 112991234/ 97** gives a remainder of **08**.

Step 6:

Replace the digits 112991234 with the remainder **08** as follows:
Result: 856242200

Step 7:

Repeat step No. 3 again:
Result: 856242200/ 97 gives a remainder of **17**.

Step 8:

Subtract this final remainder (17) from 98. (98-17=81) These digits provide the required Check Digits of the **BBAN**:

0180000001299123456

Accordingly, the IBAN of this account number is **OM810180000001299123456**.

(ii) Check Digit Validation

Online tools to validate the structure of IBANs are provided by a number of organizations.

Method of Validating the IBAN Check Digits:

Preparatory Step:

Assume that it is required to validate the Check Digits of the following IBAN:

OM810180000001299123456.

Customer may provide this number either in electronic IBAN format: **OM810180000001299123456**.

Customer may provide this number either in paper IBAN format: **OM81 0180 0000 0129 9123 456**.

Version 1: ISO IBAN Standard for Sultanate of Oman

If the customer has stated the beneficiary's IBAN in a paper format, it is necessary to convert it to electronic format (by deleting all empty spaces) to verify the Check Digits of the above-mentioned IBAN:

Result: OM810180000001299123456.

Step 1:

Move the first **4 digits** 'OM81' to the right end of the number:

Result: 0180000001299123456OM81

Step 2:

Convert the letters to numbers using the conversion table 1 above:

Result: 0180000001299123456242281

Step 3:

Divide the first 9 digits of this number by **97** and calculate the remainder: **Result: 18000000/ 97** gives a remainder of **01**.

Step 4:

Replace the digits **18000000** by the remainder **01**:

Result: 11299123456242281

Step 5:

Repeat step No. 3 on the number that resulted from step 4:

Result: **112991234/ 97** gives a remainder of **08**.

Step 6:

Replace the digits 112991234 by the remainder 08:

Result: **856242281**.

Step 7:

Repeat step No. 3 on this number:

Result: 856242281/ 97 gives a remainder of **1**.

Since the remainder is "1", the Check Digits of '81' of the IBAN are considered as valid and hence it is a valid account number.

Annexure II:

Below are the List of bank identifier digits that can be used to identify banks within the IBAN structure, making it easier to process international and domestic transactions and avoid errors:

#	Name of Bank	BID
1	Oman Arab Bank	002
2	Bank of Baroda	003
3	Bank Melli Iran	007
4	Bank Saderat Iran	008
5	HSBC Bank Oman	010
6	Standard Chartered Bank	011
7	Habib Bank Limited	016
8	First Abu Dhabi Bank	017
9	National Bank of Oman	018
10	Bank Dhofar	025
11	Bank of Muscat	027
12	State Bank of India	028
13	Bank of Beirut	029
14	Sohar International Bank	030
15	Ahli Bank S.A.O. G	031
16	Qatar National Bank	032
17	Bank Nizwa	033
18	Bank Muscat Meethaq Islamic	034
19	Muzn Islamic Banking	035
20	Maisarah Islamic Banking Services	036
21	Ahli Islamic Bank	037
22	Sohar Islamic Window	038
23	Oman Development Bank	040
24	Al Izz Islamic Bank	041
25	Oman Housing Bank	099

Note: The above list of bank identifier digits represents all licensed banks as of the date of issuance of these guidelines. Please note that any newly established bank will be assigned new identifier digits in accordance with this list. Similarly, any merged or closed bank will be excluded from this list. We advise referring to the most recent version of this list for the most up-to-date information on licensed banks.