

Oman has a long history of currency circulation influenced by its strategic trade position between the Middle East, India and East Africa. Early on, the Sultanate of Oman used foreign currencies such as Sassanian dirhams and Byzantine dinars. Islamic coinage began with the Arabization of currency by the Umayyad Caliph Abd al-Malik bin Marwan in the late 7th century, and the Sultanate of Oman became an early adopter and minter of Islamic coins, starting with the Umayyad dirham in 81 AH.

Throughout its history, the Sultanate of Oman used various Islamic coins from different dynasties, including the Abbasids, Fatimids and local Imams. During Portuguese occupation of its coastal ports in the 16th-17th centuries, the Sultanate of Oman's interior remained relatively untouched.

By the 19th century, foreign coins such as those from British India and the Maria Theresa Thaler were widely used. The first coins minted specifically for the Al Bu Sa'id Sultans appeared in Zanzibar in 1882, and modern Omani coinage began in 1893 with copper coins. Further developments occurred under Sultan Said bin Taimur in the 1940s.

Until 1970, the Gulf Rupee and various foreign coins circulated in Oman. The modern era of national currency began in 1979 with the Central Bank of Oman issuing the first Omani banknotes. This was followed by new series in 1972, 1975, and most recently in 2020, under Sultan Haitham bin Tariq. Today, Oman continues to update its currency in line with modern printing technologies.