Global Financial Services Regulatory Guide - United Arab Emirates

1. Who regulates banking and financial services in your jurisdiction?

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# Who regulates banking and financial services in your jurisdiction?

The UAE has four different regulators responsible for the authorization and supervision of banks, insurers and other financial institutions. These are: (i) the Central Bank of the UAE (CB);); (ii) the Securities and Commodities Authority (SCA); (iii) the Dubai Financial Services Authority (DFSA), which is the regulator of the Dubai International Financial Centre (DIFC); and (iv) the Financial Services Regulatory Authority (FSRA), which is the regulator of the Abu-Dhabi Global Market (ADGM).

There are two regulators in the "on-shore" UAE: (i) The Central Bank of the UAE that regulates banks, finance companies, payment service providers and insurance companies and (ii) the Emirates Securities and Commodities Authorities (ESCA)  that regulates markets, listed companies and securities brokers.

The Central Bank under its new law no. 14 of 2018 has very wide powers to supervise and sanction the FIs within its remit with the ability to censure, fine, sanction and withdraw licenses and to cooperate with foreign regulators.

The ESCA has more limited powers under its law no. 4 of 2002 but is trying to exert more control, including naming and shaming violators of its regulations.

The AML supervisor is the Financial Intelligence Unit (FIU), an independent body hosted at the Central Bank

The allocation of responsibilities between the CB, SCA, DFSA and FSRA is as follows:

The CB and SCA regulate and supervise on a UAE federal level, respectively, all banks, insurers and insurance brokers for the CB while the SCA regulates, securities traders and markets. In 2020 the UAE legislator merged the Insurance Authority (IA) with the CB, and the IA is now fully integrated within the CB

The UAE Council of Ministers has also decided to consider the two UAE exchanges, the Dubai Financial Market (DFM) and the Abu Dhabi Exchange (ADX), as self-regulated organizations under the supervision of the SCA.

The DFSA is the financial regulator and supervisor of all banks, investment firms, securities traders and re-insurers that operate within the DIFC, a financial free zone located in the emirate of Dubai, which is governed by its own rules and regulations largely based on common law principles, as opposed to civil law on the UAE federal level. DFSA-regulated firms include investment firms, asset managers, hedge funds, brokers, financial advisers and insurance intermediaries.

The FSRA is the financial regulator and supervisor of all banks, investment firms, securities traders and re-insurers that operate within the ADGM, a financial free zone located in the emirate of Abu Dhabi, which is governed by its own rules and regulations based on the laws of England and Wales, as opposed to civil law on the UAE federal level. ADGM-regulated firms include investment firms, asset managers, hedge funds, brokers, financial advisers and insurance intermediaries

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