

# Federal Decree by Law No. (23) of 2022, Amending certain Provisions of Federal Decree by Law No. (14) of 2018 Concerning the Central Bank and the Regulation of Financial Institutions and Activities

---

We, Mohamed bin Zayed Al Nahyan, President of the United Arab Emirates,

Having reviewed:

The Constitution; Federal Law No. (1) of 1972 Concerning the Competences of Ministries and the Powers of Ministers, as amended;

Federal Decree-law No. (14) of 2018 Concerning the Central Bank and the Regulation of Financial INSTITUTIONS and Activities, as amended; and

Based on the Proposal of the Minister of Finance and the Approval of the Cabinet,

Hereby decree as follows:

## Article 1

---

The texts of Articles (69) and (121) of Federal Decree-Law No. (14) of 2018, referred to above, shall be replaced by the following texts:

### Article (69)

#### Deciding on the Application for License or Expansion of its Scope

1. The application for license or expansion of its scope shall be decided on within a period not exceeding sixty (60) working days from the date of satisfying the requirements and conditions of the license. The lapse of such period without reply shall be deemed rejection of the application.
2. The Central Bank may request the applicant to meet the requirements and conditions of the license within the period it determines.
3. The Central Bank may reject the application or request the addition of any financial activity at its sole discretion, according to the absorptive capacity of the financial sector of the State and the requirements of the domestic market. The decision issued in this regard shall be final and not appealable before the Grievances and Appeals Committee.
4. The applicant shall be notified of the substantiated rejection decision by means of an official notice within a period not exceeding twenty (20) days from the date of its issuance.

### Article (121)

## Protection of Clients of the Licensed Financial Institutions

1. The Central Bank shall create the regulations for protection of clients of licensed financial institutions, in proportion to the nature of the activities practiced by such institutions and the financial services and productions they provide.
2. The Central Bank may establish a unit with independent legal personality to receive and decide on the complaints of clients of the licensed financial institutions,. The Board of Directors shall issue a decision to establish such unit and determine its functions, rules of procedure and powers as well as the human resources and financial affairs regulations applicable thereto.
3. The Central Bank and licensed financial institutions shall jointly work to raise the community awareness about the types of banking services and financial products and the risks inherent in them, through all available means of communication and media, in accordance with the controls set by the Central Bank.
4. Licensed financial institutions may not charge interest on accumulated interest, i.e. compound interests, in respect of the facilities granted to clients. In this regard, the controls and rules set by the Central Bank in the control regulations issued thereby shall be followed.

## Article 2

---

New articles shall be added to [Federal Decree-law No. \(14\) of 2018](#), referred to above, under Nos. (121 bis), (124 ter) and (124 quater) to read as follows:

### Article (121 bis )

#### Credit Facility Guarantees

1. The licensed financial institutions shall obtain the sufficient guarantees for all types of facilities provided to the natural clients and private sole proprietorships, in accordance with the client's income or the guarantee, if any, and the size of the required facilities, as determined by the Central Bank.
2. No application, action or plea filed to the competent judicial authorities or the arbitral tribunals by any licensed financial institution in respect of a credit facility provided for a natural person or a private sole proprietorship shall be accepted if such financial institution fails to obtain the guarantees referred to in Clause (1) of this Article.
3. The Central Bank may impose administrative and financial penalties which it deems appropriate on the licensed financial institutions which violate the provision of Clause (1) of this Article, in accordance with [Article \(137\)](#) of the present Decree-Law.

### Article (124 ter )

#### Application for License of Financial Infrastructure System or Extension of its Scope

1. Based on the regulations set by the Board of Directors, any legal person may file an application with the Central Bank to obtain a license of financial infrastructure system or to expand the scope of a license previously issued.
2. The Board of Directors shall issue the regulations, rules, criteria and conditions pertaining to the licensing of the financial infrastructure system, including:

- a. Merit and eligibility criteria;
  - b. Resources required for the system; and
  - c. Control and supervisory systems.
3. The Board of Directors may require the license applicant to meet any further requirements or conditions at its own discretion and as he deems to be in the public interest.

#### **Article (124 quater )**

#### **Deciding on the Application for License of Financial Infrastructure System or Extension of its Scope**

1. The application for license of financial infrastructure system or extension of its scope shall be decided on within a period not exceeding sixty (60) working days from the date of satisfying the requirements and conditions of the license. The lapse of such period without reply shall be deemed as rejection of the application.
2. The Central Bank may request the applicant to meet the requirements and conditions of the license within the period it determines.
3. The Central Bank may reject the application or request the expansion of the scope of the license of a financial infrastructure system at its sole discretion, in accordance with the absorptive capacity of the financial sector of the State and the requirements of the domestic market. The decision issued thereby in this regard shall be final and not appealable before the Grievances and Appeals Committee.
4. The applicant shall be notified of the substantiated rejection decision by means of an official notice within a period not exceeding twenty (20) working days from the date of its issuance.

## **Article 3**

---

Any provision in contradiction or conflict with the provisions hereof is hereby repealed.

## **Article 4**

---

The present Decree-Law shall be published in the Official Gazette and shall enter into force as of 2 January 2023.