

**Amendments to the Central Bank Board of Directors’
Resolution No. 58/3/96 issued on 14/4/1996,
regarding Finance Companies**

- 1- The legal status of the company must be in one of the forms stipulated in Federal Law No. (8) of 1984 (as amended) regarding commercial companies. However, if the company takes the form of a “**limited liability company**”, then its paid-up share capital should not be less than AED 50 million.
- 2- The company must provide a letter of guarantee, issued in favour of the Central Bank for an amount being the equivalent of the whole of its minimum required paid-up share capital.
- 3- The applicant must demonstrate that not less than 12 of its principal founding shareholders are financially capable/ worthy, and have not previously failed their financial commitments either as individuals or companies .
- 4- The number of the company’s Board Members should not be less than five, all of which have not previously failed their financial commitments. At least 60% of the Board Members should be knowledgeable in finance or banking business.
- 5- The company must obtain Central Bank approval of its proposed organizational structure, which should be appropriate and balanced, showing the main departments, sections, lines of reporting, authorities and responsibilities.
- 6- The applicant should provide the Central Bank with the curriculum vitae (CVs) of the manager in-charge as well as the managers of main sections together with other relevant documents and certificates for prior approval. The Central Bank may decide to interview proposed staff through a special Central Bank committee to evaluate their technical and administrative qualifications and abilities.
- 7- The contract of the manager in-charge, who is also an authorized signatory, should contain an article stipulating that any violation on his part shall be considered a criminal offence for which he shall be punished, if it is proven that what he signed is untrue or misleading .
- 8- The value of accepted deposits should be limited to 100% of the paid-up capital and reserves of the company during its first 2 years of operations. Thereafter, approval may be sought from the Central Bank to allow the value of accepted deposits to increase to 200% of paid-up share capital and reserves; up to 300% after 4 years; and up to 500% after 7 years.