

**The Central Bank of the UAE Board of Directors'**  
**Resolution No. 132 / 5 / 2004**  
**Regarding the Regulation for the Controls of Allowing Banks Operating in the Country**  
**to Establish Banking Service Units, Staffed by Banking Service Advisors**

The Chairman of the Board of Directors,

Having perused Union Law No. (10) of 1980, concerning the Central Bank, the monetary system and organization of the banking profession, and its amendments thereof;

And Union Decree No. (9) of 2000, regarding the renewal of membership of the Board of Directors of the Central Bank;

And the Board of Directors' Resolution No. 214/6/2001, regarding requests of foreign banks operating in the country for approval to establish electronic banking service units, staffed by banking service advisors (Banking Service Units) affiliated to them:

Has decided the following:

**Article (1)**

**Definitions**

1.1 For the purposes of this resolution:

**The Central Bank** shall mean the Central Bank of the United Arab Emirates.

**The Licence** shall mean the licence issued by the Central Bank, per this regulation.

**The Bank** shall mean any bank operating in the country and licensed by the Central Bank, including foreign banks.

**Electronic Banking Service Unit** shall mean a unit which is equipped with electronic systems to carry out the electronic banking service; such units may employ banking service advisors.

1.2 The terminologies used in Union Law No. (10) of 1980 and its amendments shall carry the same meanings attached to them in that law, whenever used in this regulation, unless they are defined differently in this resolution.

**Article (2)**

**Activities of the Electronic Banking Unit**

2.1 The Unit shall conduct the following main activities:

1. To provide cash payment services to customers and receive cash deposits and cheques from them through specialized automatic teller machines.

2. To provide bank statements through specialized electronic systems.

3. To collect instructions of current and potential customers in order to transfer them to the bank's branch with which the unit is affiliated.

4. To market the bank's products to customers.

5. To train customers on using modern banking electronic systems and guide them in the area of the services of the concerned banks.

2.2 It is conditional to obtain the approval of the Board of Directors of the Central Bank for any additional activities to be conducted by the Unit.

### **Article (3)**

#### **Obtaining a Licence - An Imperative**

No bank is allowed to open a banking service unit in the United Arab Emirates except after obtaining a licence from the Central Bank.

### **Article (4)**

#### **Central Bank Requirements for Approval of Licence**

Any bank operating in the United Arab Emirates is allowed to apply for a licence from the Central Bank to open an electronic banking service unit, provided the following is verified:

1. The purpose of establishing the unit.
2. The proposed location of the unit.
3. The branch to which the unit will be affiliated.
4. The number of systems to be installed at the unit premises and their functions:
  - a. Automatic teller machines
  - b. Deposit systems
  - c. Other systems
5. Number of employees at the unit.
6. Security measures taken.
7. Any other relevant statements or information.

### **Article (5)**

#### **Conditions for Granting a Licence**

5.1 The Central Bank, after reviewing the application for a licence for a banking service unit and after obtaining all the required information, documents and reports, may grant or deny the licence.

5.2 No licence shall be granted to open an electronic banking service unit unless the applicant has met the following conditions:

- a. To be compliant with Union Law No. (10) of 1980 and its amendments thereof, instructions of the Central Bank as well as circulars, notices and directives at all times.
- b. The applicant should not have committed any violations.
- c. The applicant should have met the nationalization percentages, required per the Council of Ministers resolution, as well as Central Bank requirements in this regard.

## **Article (6)**

### **Notification of Approval or Refusal**

In the case of approval or refusal of an application for a licence, the Central Bank shall notify the applicant in writing, pointing out the reasons in the case of refusal, within a maximum period of two months from the date of submitting the application.

## **Article (7)**

### **Scope of Licence**

The following shall be considered with regard to the licence issued by the Central Bank:

- a. It shall be valid for one year and is renewable for similar periods from the date of its issuance.
- b. It shall contain the terms and conditions deemed appropriate by the Central Bank.

## **Article (8)**

### **Licence Cancellation, Restriction or Alteration**

8.1 The Central Bank may at any time, through a decision by its Board, cancel, change, restrict or withdraw any condition imposed on a licence.

8.2 The Central Bank may, through a decision by its Board, cancel a licence in the following cases:

1. If the bank opens any kind of accounts, accepts deposits directly, grants credit facilities and carries out any other banking activities in whichever form.
2. If the bank frequently commits substantial violations without taking action to remedy them.
3. If the unit ceases to conduct its business for 3 successive months, except in case the bank applies for a specific period to resume its activity, after obtaining the approval of the Central Bank Governor in this regard.
4. If the unit has not commenced its activities after obtaining the licence within one year from the date of its issuance.
5. If the concerned local authorities have withdrawn the licence granted by them to the unit.

## **Article (9)**

### **Continuous Commitments**

9.1 The electronic banking service unit is prohibited from conducting any banking activities, such as opening any kind of accounts, accepting deposits directly, granting credit facilities and any other banking activities in any form.

9.2 The licensed bank undertakes to fully abide by the following:

- a. To identify the branch in charge of the Unit and to notify the Central Bank accordingly.
- b. The signboard must show the name of the bank and must state that the Unit is an "electronic banking service unit with banking service advisors", if the unit employs advisors.
- c. The Unit must have the necessary security arrangements.
- d. The Unit must conduct its business from an appropriate location, approved by the Central Bank; the Unit cannot relocate to new premises without obtaining approval from the Central Bank.
- e. The Unit working hours must be flexible and in conformity with the working hours of the Centre in which it conducts its business, or in conformity with the working hours of the trade location in which it functions.
- f. All publications, booklets, interpretations and explanations of the Unit must be in both Arabic and English languages.
- g. All information and statements provided to the customers by the Unit must be true, accurate and clear.
- h. The Unit must obtain a licence to conduct its business from the local authorities, must commence its activities within one year from the date of issuance of Central Bank licence, per provisions of this Resolution. The Central Bank must be provided with a copy of the local authorities licence as soon as such licence is received from the concerned authorities.

## **Article (10)**

### **On-Site Examination**

The Central Bank shall conduct periodical examination on the business of the Unit, as part of examination of the bank's branches to ensure the sound application of the provisions of this Resolution.

## **Article (11)**

### **Application Scope and Enforcement Date**

This Resolution shall apply to all electronic banking service units which have been licenced before the issuance of this regulation, and all banks must comply accordingly.

## **Article (12)**

### **Interpretation of the Resolution**

The Governor of the Central Bank is the sole interpreter of the provisions of this Resolution, and His interpretations are considered final.

### **Article (13)**

This Resolution shall be notified to whomever is concerned to ensure the application of its provisions, and shall be published in the Official Gazette.

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Mohamed Eid Al Meraikhi  
Chairman

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