مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.

CBUAE extends several measures of the Targeted Economic Support Scheme to facilitate post-COVID recovery of the UAE economy

Abu Dhabi (18 December 2021): The Central Bank of the UAE (CBUAE) has extended several measures of its Targeted Economic Support Scheme (TESS) until 30 June 2022 to support the continued recovery of the UAE economy.

Prudential relief measures regarding banks' capital buffers and liquidity and stable funding requirements will be extended by six months until 30 June 2022. All banks operating in the UAE are able to benefit from these relief measures to support a balanced and sustained recovery. More specifically, the capital buffer measures include temporary lowering of the capital conservation buffer, and the capital buffer for systemically-important domestic banks. Liquidity measures consist of temporary prudential relief on the Liquidity Coverage Ratio, Eligible Liquid Assets Ratio, Net Stable Funding Ratio, and Advances to Stable Resources Ratio.

Earlier this year, the CBUAE announced that the loan repayment deferral component of the TESS would expire on 31 December 2021, the first phase of the CBUAE's gradual exit strategy from the measures implemented during the pandemic. The TESS programme to support new lending and financing will continue until 30 June 2022.

The CBUAE's gradual exit strategy from the TESS balances the winding-down of TESS measures with its continued commitment to support the UAE's recovery. Further support measures introduced during the pandemic that temporarily remain in force include the reduced cash reserves requirement and the decrease in the required down payment for new mortgage loans.

H.E. Khaled Mohamed Balama, Governor of the CBUAE, said: "The TESS programme has proven its effectiveness in supporting the UAE financial system and economy throughout the pandemic. As the recovery is gaining momentum, the CBUAE has adjusted the TESS, replacing measures designed to mitigate the immediate negative effects of the pandemic with targeted steps to support the economic recovery."

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