



A statement launching “Aber” project, the common digital currency between Saudi Arabian Monetary Authority (SAMA) and Central Bank of the United Arab Emirates (CBUAE)

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The Saudi Arabian Monetary Authority (SAMA) and the United Arab Emirates Central Bank (UAECB) clarified in a joint statement that one of the objectives of launching the common digital currency project "Aber" is for use in financial settlements between the Kingdom of Saudi Arabia and UAE through Blockchains and Distributed Ledgers technologies. This is in the framework of "Proof-of- concept", which can be summed up in closely understanding and studying the dimensions of modern technologies and their feasibility through practical application and the determination of their impact on the improvement and the reduction of remittances costs and the assessment of technical risks and how to deal with them. This is in addition to the qualification of cadres that will deal with the technologies of the future and understanding the requirements of issuing a digital currency for use by the two countries. Furthermore, it will establish an additional means for the central financial transfer systems of the two countries and enable banks to directly deal with each other in conducting financial remittances.

Regarding the joint launching of the project by the two countries, the statement pointed out that central banks in some countries have already begun pilot projects to explore the dimensions of Blockchains and Distributed Ledgers technologies applied in circulation of digital currencies. SAMA and the Central Bank of UAE share the same desire to launch pilot projects in the use of these technologies to identify them and learn how to benefit from them. The Statement attributed the agreement to launch this project jointly rather than independently in each country to the fact that the two countries have in place central systems for remittances and domestic transactions which have evolved overtime and proved their feasibility. However, there are still some aspects of international remittances that need further development. It may be proved after study that the use of digital currency may contribute to supporting this development. The project will also enable considering the possibility of using the system as an additional reserve system for domestic central payments settlement system in case of their disruption for any reason.

According to the statement, SAMA and UARCB hope that their pilot projects will benefit everyone locally and internationally. Based on this desire, the two countries do not only aspire to be the forerunners in the application of modern technologies, but also in their adaptation, development and delivery to the world. Hence, the two countries embarked



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on carrying out the experiment of issuing a common digital currency for use across borders to carry out remittances.

As for the mechanism agreed upon by SAMA and UAECB for the implementation of "Aber" project, the Statement emphasized that concentration in the initial stages will be on technical aspects. The use of the currency will be restricted to a limited number of banks in each state. In case that no technical obstacles are encountered, economic and legal requirements for future uses will be considered.

The Executive Committee of the Saudi-Emirati Coordination Council held its first meeting in the UAE capital city Abu Dhabi on Saturday, 17,1, 2019. Priority initiatives prepared for proceeding within the framework of the "Azzam" strategy was announced. This is to implement the joint vision for integration and intensified bilateral cooperation in matters of mutual interests of the two countries. The most prominent initiatives are in the field of services and financial markets and launching "Aber" project for the issuance of the electronic currency on a probational basis and its exclusive use by a limited number of banks in the two countries.