CBUAE advises banks and finance companies to implement measures to mitigate the effects of coronavirus on the UAE economy

Abu Dhabi (March 1st, 2020): The Central Bank of the UAE (CBUAE) is mandated by law to ensure appropriate protection of consumers, safeguard the stability of the banking system and continuously monitor credit conditions in the UAE.

In order to minimise the adverse effects of the Coronavirus (COVID-19) outbreak on the UAE economy, CBUAE has established a committee engaging UAE Banks Federation to assess the situation and identify possible solutions.

To mitigate the effect of Coronavirus on credit; financial institutions are expected to implement measures such as re-scheduling of loans contracts, granting temporary deferrals on monthly loan payments, and reducing fees and commissions for affected customers. Banks and finance companies remain fully responsible for their credit decisions.
Financial institutions in the UAE are well-capitalised and are in a good position to support customers that have been affected by Coronavirus, without jeopardizing their own safety and soundness.

To ensure the readiness of UAE’s financial sector for a potential worsening of the situation, CBUAE also advises that all banks and finance companies review and update their business continuity plans.

CBUAE continues to closely monitor the situation, and, if necessary, will provide additional guidance and direction.

Background information: The World Health Organization has advised countries to be prepared for a scenario in which the Coronavirus (COVID-19) turns into a pandemic where economic impact in affected countries in such situations can be relatively large.