



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

CBUAE imposes administrative sanction on a Finance Company operating in the UAE

Abu Dhabi (23 January 2021): On 17th of January 2021, the Central Bank of the UAE (CBUAE) issued a caution against a Finance Company operating in the UAE, pursuant to Articles 98, 107 (7)(D) and 137 of the Decretal Federal Law No. 14 of 2018 Regarding the Central Bank & Organisation of Financial Institutions and Activities and article 19,5 of the Finance Companies Regulation of 24 April 2018.

A caution is an administrative sanction under the Banking Law. It was imposed in respect of non-compliance by the company with the Finance Companies Regulation and the Central Bank's instructions relating to the rotation of the external auditor of accounts.

This administrative sanction takes into account the failure of the Finance Company senior management to comply with the said regulation as well as specific instructions from the Central Bank to rotate the external auditor within the mandated period of 6 years. The rationale for that rotation is to reduce errors and fraud associated with the auditing of financial statements.

The sanction also takes into account the relatively short duration of the breach and its quick remediation by the company.

-Ends-