



CBUAE Issues Two New Payment Systems Regulations

Abu Dhabi (18 March 2021): The Central Bank of the UAE (CBUAE) has issued two new regulations: The Large-Value Payment Systems (LVPS) Regulation and the Retail Payment Systems (RPS) Regulation. Both regulations apply to payment systems operating in the UAE and payment systems that offer clearing or settlement in Dirham outside the UAE. The two regulations aim to promote robust financial infrastructure, which is essential for financial stability and consumer protection. They also facilitate the UAE's international competitiveness.

The LVPS regulation sets standards for financial infrastructure systems that support wholesale payment activities in the UAE.

The RPS regulation focuses on systems for retail payments, which provide funds transfer, clearing, and settlement services related to retail activities. The regulation covers all retail payment systems irrespective of currency or means of exchange in which the transactions are conducted.

System operators and settlement institutions of existing large-value payment systems and retail payment systems operating in the UAE must comply with the requirements of these two regulations by the end of the transitional period expiring at the end of February 2022.

His Excellency Abdulhamid M. Saeed Alahmadi, the Governor of the Central Bank of the UAE, remarked "Payment systems are the "plumbing of the financial system" - a critical part of any country's financial infrastructure. The issuance of these two regulations is an important milestone to reach our objective of providing robust, efficient, and accessible financial infrastructure in the UAE, serving our financial institutions, corporations, and people, and supporting our competitive economy. The large value and retail payments systems regulations will help facilitate smooth, secure, and efficient conduct of transactions. The retail payments regulation will also provide a level playing field to advance innovation and competition, and financial inclusion".

The two regulations were published in the Official Gazette on 31 January 2021 and are now in effect.

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