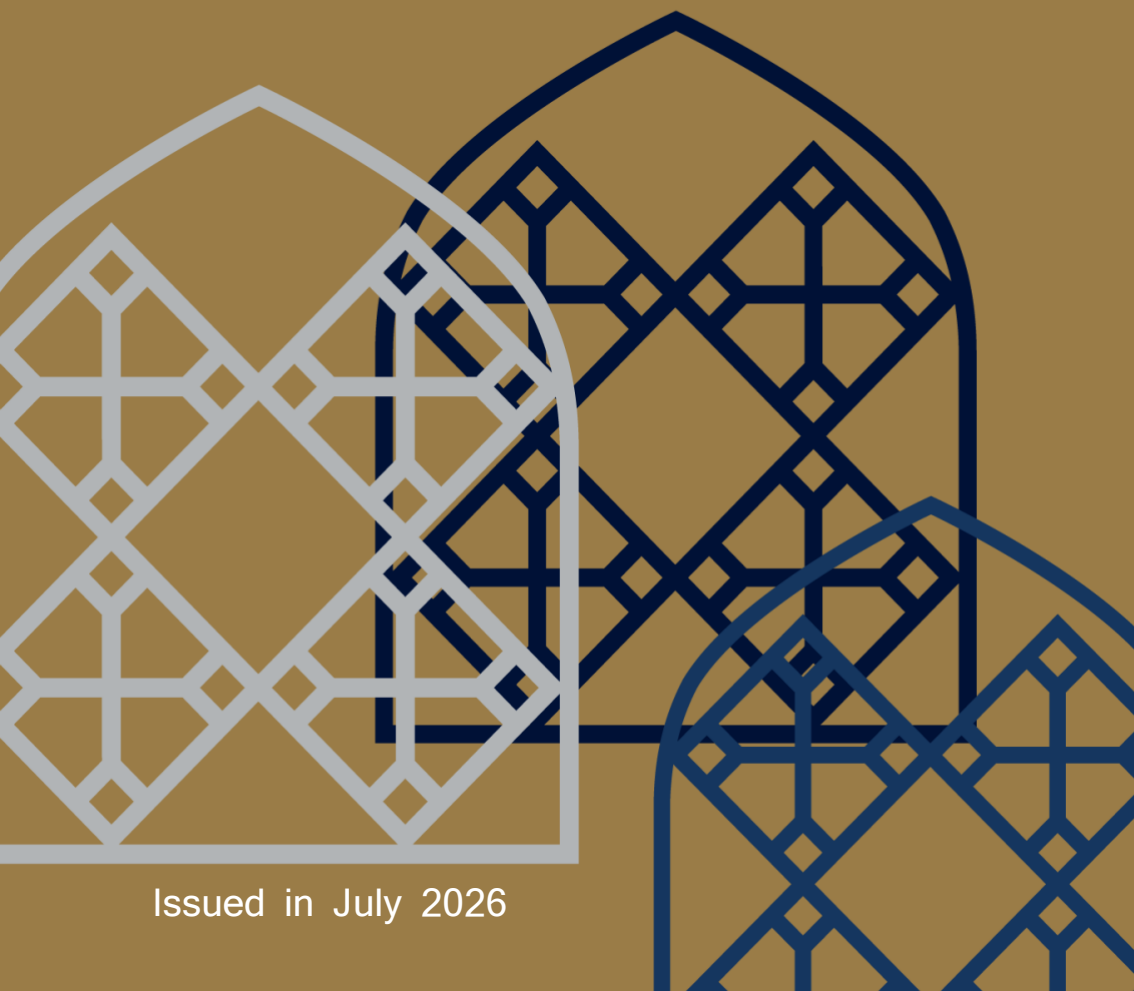
مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.

Risk Committee Charter
Board of Directors
Central Bank of the UAE



Issued in July 2026

1. Introduction

The Risk Committee (the Committee) is one of the main committees reporting to the Board of Directors of the CBUAE. The Committee constitutes an important part of the corporate governance structure, and works to enhance the Board's capabilities to perform its role by overseeing risk management strategies, practices, and monitoring mechanisms at the CBUAE.

2. Charter Objective

The Risk Committee (the Committee) is one of the main committees reporting to the Board of Directors of the CBUAE. The Committee constitutes an important part of the corporate governance structure, and works to enhance the Board's capabilities to perform its role by overseeing risk management strategies, practices, and monitoring mechanisms at the CBUAE.

3. Formation and Membership

The Committee formation shall be issued by a decision of the Board, which specifies the Committee's Chairman, members, tasks, responsibilities, work system, and performance measurement mechanism. Members shall be nominated based on professional standards, integrity, and ethics that make them eligible for membership in the Committee.

3.1 Membership: The Committee shall consist of three (3) non-executive members, including the Chairman.

3.2 Committee Chairman: The Committee Chairman shall be appointed by the Board and shall be a non-executive to ensure the Committee's independence.

3.3 Tenure: The tenure shall be for four (4) years, renewable by a decision of the Board.

4. Independence

The independence of the member is a fundamental condition to participate in discussions and vote on decisions during meetings.

5. Powers & Functions

The Committee shall be independent from the executive management. Its primary responsibilities shall include:

5.1 Discuss the risk management system with the Board of Directors and ensure the Central Bank's performance of its duties in establishing an effective risk management system.

5.2 Discussing the risk management and internal control system with the Board, and ensuring the CBUAE performs its duties in establishing an effective risk management system.

5.3 Following up on the establishment of controls that enable CBUAE’s employees and concerned people to report any potential violations in financial reports, internal control, or other matters confidentially; and providing systems to ensure conducting independent and fair investigations into such violations.

5.4 Ensuring the quality and efficiency of the system for analyzing and identifying potential risks that may affect the CBUAE's objectives, including financial, operational, strategic, legal risks and emerging risks such as Environmental, Social and Governance (ESG).

5.5 Monitoring and assessing the soundness of the risk profile, and using appropriate tools and methods to estimate the likelihood and severity of their impact.

5.6 Monitoring the adherence of relevant parties within the CBUAE to the Code of Conduct as outlined in the official document issued by the CBUAE and any amendments thereto.

5.7 Conducting preliminary investigations into any financial or other violations and ensuring the necessary measures are implemented as a result. Additionally, reviewing the outcomes of major investigations into internal control matters assigned to it by the Board.

5.8 Ensuring the development of strategies and plans to mitigate and effectively deal with risks; including developing risk management policies and procedures.

5.9 Following up on the implementation of risk management strategies, and periodically evaluating their effectiveness to ensure they achieve their intended purpose.

5.10 Preparing regular reports for the Board on the risk profile and taken measures, along with providing recommendations thereon.

5.11 Reviewing and evaluating existing risk management systems and policies. Ensuring the CBUAE's adherence to approved risk management practices and standards, as well as the legal and regulatory frameworks in the UAE.

5.12 Ensuring that a plan and program are in place to enhance risk awareness within the CBUAE and underscore the importance of risk management. Providing appropriate training to employees on identifying and addressing risks.

5.13 Ensuring the development of emergency response and crisis management plans to ensure the CBUAE's readiness to address unexpected incidents.

5.14 Appointing or replacing the Secretary, as required by public interest.

5.15 Continuously training and qualifying the Secretary to perform the assigned tasks fully.

5.16 Any other competencies and tasks assigned to the Committee by the Board or the Chairman.

6. Competencies

To perform its tasks, the Committee shall have the following Competencies:

6.1 Access to Information: The Committee shall have the right to access all necessary information and data.

6.2 Summoning Employees: The Committee shall have the right to summon any employee or official within the CBUAE.

6.3 Cooperation with Consultants: The Committee may recommend engaging external consultants or experts when needed, subject to the Board approval.

6.4 Providing Recommendations: The Committee shall have the right to provide recommendations to executive management and the Board regarding the adoption of regulations, bylaws, procedures, internal control systems, and risk management at the CBUAE.

7. Meetings

7.1 Regular Meetings: The Committee shall hold a minimum of four (4) meetings annually, with at least one meeting every three (3) months, under invitation by the Chairman. Additional meetings may be held as needed.

7.2 Invitation to Attend: The Committee Chairman may invite members to a meeting whenever necessary, or at the request of any member, as required by public interest.

7.3 The Committee members may invite any of the executive management employees, specialists, experts, consultants, or technicians, who deem appropriate, whether from inside or outside the CBUAE, to provide opinions, without having voting rights in the Committee's decisions.

7.4 A Committee member may not delegate another person to attend meetings on his behalf.

7.5 Meeting Mechanism: The Committee may convene its meetings through visual or audio means, or as it deems appropriate.

7.6 Minutes of Meeting: All Committee meetings shall be documented officially. A copy of which shall be sent to the Board for review, detailing the discussed topics and the recommendations to be followed.

7.7 Meeting Quorum: A Committee meeting shall be considered valid if attended by at least two (2) members, provided that the Chairman is present.

8. Decision Taking

8.1 The Committee shall be considered a technical, specialized, or advisory committee to the Board in the decision-making process. It shall not have an authority to take decisions, unless specific powers are delegated to it by the Board.

8.2 The Committee decisions shall be issued by a majority voting of the members. If votes are equal, the Chairman's vote shall prevail.

8.3 A Committee member may not delegate any of the attending members to vote on decisions issued during the meeting on his behalf.

8.4 In special cases approved by the Chairman, the Committee may make decisions by circulation, provided that the decision shall be ratified in subsequent meetings.

8.5 Decisions issued by circulation shall not be considered as Committee meeting.

8.6 The Committee members should follow up on the implementation of previous decisions at the subsequent meeting.

9. Termination of Membership

9.1 If a Committee member is absent from two (2) consecutive meetings without the Chairman's approval or an acceptable excuse (such as attending an official mission or due to an annual or sick leave), the Chairman shall submit a memorandum to the Board if the Committee wishes to terminate or replace his membership.

9.2 If a Committee member has become non-independent, the matter shall be presented to the Board for discussion and making a decision.

9.3 If the Board determines that the member should not continue, a recommendation to replace the member shall be submitted.

10. Secretary

The Committee shall appoint a Secretary from among its members or others at its first meeting, and he shall be responsible for performing the following tasks and responsibilities:

10.1 Receiving, evaluating, and considering memoranda from CBUAE departments and divisions regarding matters that must be presented to the Committee.

10.2 Preparing the agenda for the Committee meeting, and notifying the Committee members and invitees of the agenda ten (10) working days prior to the meeting date.

10.3 Providing the Committee members with materials related to the topics on the agenda (in hard copy or digitally) seven (7) working days prior to the meeting date.

10.4 Preparing and providing members with minutes of meeting within seven (7) working days, then following up with members for their feedback within two (2) working days.

10.5 Preparing and distributing decisions approved by the Committee, and following up on their implementation by the relevant organizational units.

10.6 Following up with the Committee members to annually disclose their personal interests and independence, or any conflicts that may arise with their membership before the discussion of a topic at a meeting.

10.7 Organizing and managing the register for the disclosure of independence and conflicts of interest for the Chairman and members.

10.8 Developing a plan for the following year's meetings, obtaining the Committee approval, and coordinating its presentation to the Board for approval.

10.9 Preparing and presenting an introductory program about the CBUAE for the Committee's new members, after coordinating with the Committee Chairman and members.

10.10 Any other tasks assigned by the Committee Chairman and members.

11. Reporting

11.1 Regular Reports: The Committee shall submit regular reports to the Board, detailing the results of risk management and control operations, along with recommendations to improve internal control systems.

11.2 Special Reports: special reports shall be submitted for important matters on risk management or the internal control system, that requires taking urgent action.

11.3 Annual Report: The Committee shall submit a comprehensive annual report. This report shall include an evaluation of its performance and achievements, as well as any recommendations to enhance the CBUAE's performance regarding risk management and the internal control system.

12. Confidentiality of Information

12.1 The Committee members shall be prohibited from disclosing any information. This prohibition shall be in effect even after the end of their membership, service, or assignment.

12.2 The information prohibited from disclosure includes all details that the members may have obtained while performing their duties with the Committee, since they were not publicly available through official or legal channels.

12.3 The Committee members may disclose prohibited information when the disclosure is permitted or legally required, or when the disclosure is addressed to entities and authorities within the UAE or in other jurisdictions. This must be done according to the provisions of Article (26) of Federal Decree-Law No. (6) of 2025 Regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business.

12.4 The Committee members are obligated not to disclose or reveal any confidential information (written or oral) related to the CBUAE or the Board. They are also prohibited from misusing any information they become aware of during their Board membership, both during and after their term.

13. Disclosure and Transparency

The Committee member shall adhere to the following:

13.1 Disclosing any interests that might conflict with his membership upon appointment or whenever such a conflict arises.

13.2 If a member has a personal interest in any transaction or contract involving the CBUAE, he must disclose it before discussions begin, refrain from attending the meeting, and abstain from voting on the matter.

13.3 Acting with honesty, integrity, and good faith, and exercising due care and attention to serve the best interests of the CBUAE and customers.

13.4 The member should have an appropriate understanding and knowledge of the CBUAE's operations and dedicate sufficient time to fulfill his responsibilities.

13.5 Refraining from using his position as a member for personal gain or for the benefit of others.

13.6 Maintaining independence in all decisions and actions.

13.7 Treating all CBUAE employees and all concerned parties with transparency, fairness, and equality.

13.8 Refraining from accepting any gifts from CBUAE management, associated parties, or CBUAE customers. If declining a gift from an interested party causes embarrassment, the member must immediately inform the Committee Chairman and hand over the gift to CBUAE management.

13.9 Updating their declaration of independence and conflict of interest immediately, if any change occurs to their personal status during their membership.

13.10 Disclosing independence and non-conflicts of interest annually.

14. Performance Evaluation

The Board evaluates the Committee members based on the following criteria:

14.1 The Committee's efficiency and effectiveness in performing the tasks and competencies assigned thereto.

14.2 The Committee's efficiency and effectiveness in supporting the Board and the CBUAE in achieving its plans and programs.

14.3 The effectiveness of the Committee's organization and work mechanism.

14.4 Submission of required reports to the Board on time.

14.5 The Committee's effectiveness in managing and resolving matters within its competence.

14.6 The integration between the Committee's work and the Board.

15. Professional Development of Members

The Committee shall strive to enhance its performance through continuous learning, training, and by keeping pace with developments in its fields and competencies.

16. Amendment to the Charter

16.1 The Charter shall be regularly reviewed by the Committee to ensure its compliance with the CBUAE's regulatory and legislative objectives.

16.2 The Charter shall be amended based on a recommendation from the BRC and the approval of the Board.

16.3 The Board may annually review the Committee's competencies and performance, take appropriate measures to comply with professional and international standards, work requirements and governance.

17. Governance of the Committee

The governance of this Committee shall be monitored by the Corporate Governance and Sustainability Department within H.E. Governor's Vertical.

