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## CBUAE issues Retail Payment Services and Card Schemes Regulation

**Abu Dhabi (17 July 2021):** The Central Bank of the UAE (CBUAE) today unveiled the Retail Payment Services and Card Schemes Regulation, the fourth regulation in the enhancement journey as it prepares the UAE for a new era of digital payments.

The Regulation is a continuation of the CBUAE's efforts to foster safety and soundness for consumers regarding retail payments services and the operation of payment card schemes.

The Regulation introduces a licensing regime for payment service providers operating – or wishing to provide – one or more of nine payment services or payment card schemes in the UAE. These include: payment account issuance, payment instrument issuance, merchant acquiring, payment aggregation, domestic and cross-border fund transfers, payment tokens, payment initiation, and payment account information services.

**H.E Khaled Mohamed Balama, Governor of the CBUAE, said:** “Digital innovation is rapidly reshaping the provision of domestic and global payment services, and the Central Bank of the UAE is embracing this innovation. We promote digital payments and support competition and innovation as well as the concept of interoperability, while setting high standards for safety and risk-management.

**H.E added:** “The recent set of payment regulations promotes the pivotal role of CBUAE in fostering digital innovation while maintaining the safety and integrity of payment systems and services. CBUAE will always provide a solid foundation as the guardian of the financial infrastructure systems stability.”

The new Retail Payment Services and Card Schemes Regulation was published on the Official Gazette on 15<sup>th</sup> June 2021 and comes into force one month from that date. A one-year transitional period has been given to existing payment service providers and card schemes to obtain the relevant license from CBUAE.

CBUAE's regulatory enhancement journey began with the launch of the 'Stored Value Facilities Regulation' in November 2020, an amended licensing and supervisory regime for Stored Value Facilities to support the development of e-wallets issued by financial institutions and FinTech firms.



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This was followed by the launch of the 'Large Value Payment Systems Regulation' and the 'Retail Payment Systems Regulation' in March 2021. These provide licensing and designation regimes for large value and retail payment systems, listing detailed requirements that are important to the financial system and largely used by customers.

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