



## **CBUAE commences operational procedures to execute Insurance Authority merger**

**Mansour bin Zayed: “the merger of Insurance Authority into CBUAE is part of an initiative to transform Central Bank into one of the top 10 central banks globally”**

**Abu Dhabi (27 January 2021):** The Central Bank of the UAE (CBUAE) announced the commencement of operational procedures aimed at assuming the supervisory and regulatory responsibility of the insurance sector pursuant to Decretal Federal Law No. (25) of 2020 whereby the merger of the Insurance Authority into the Central Bank was decided.

His Highness Sheikh Mansour bin Zayed Al Nahyan, Deputy Prime Minister and Minister of Presidential Affairs and Chairman of the Central Bank of the UAE stated: “The wise leadership is keen on taking the appropriate decisions to enhance the performance and indicators of federal entities through the unification of efforts to achieve the desired results with a forward-looking vision, specifically given that the banking sector, is a key pillar to the UAE economy.

His Highness added: “The decision to merge the Insurance Authority into the Central Bank of the UAE is part of a bigger initiative to transform the Central Bank of the UAE into one of the top 10 central banks globally”.

Sheikh Mansour expressed his confidence in CBUAE to perform its mandate across its core functions, including the supervision and regulation of licensed institutions ensuring financial stability and consumer protection in the insurance sector.

His Excellency Abdulhamid M. Saeed Al Alahmadi, the Governor of the CBUAE, said: “Giving the Central Bank a broader mandate will ensure that high standards of supervision and regulation apply to all the sectors which we regulate including banking, insurance, money exchangers and payment services providers. Our vision to build a prosperous insurance sector protects the interests of the policyholders and ensures adequate supervision and regulation, characterised by financially strong and properly managed insurance market participants who follow the highest standards of market conduct. Such an insurance sector will be well-suited to serve the needs of our diversified and growing economy”.

The decretal federal law issued earlier in this regard stipulates that CBUAE shall assume the regulatory, supervisory, licensing and enforcement functions of the insurance sector. The CBUAE will provide an appropriate environment to develop and enhance the dynamic



role of the insurance industry to ensure financial stability, encourage competition, and support Emiratisation. As per provisions of the decretal federal law, the CBUAE is obliged to monitor the financial solvency of insurance companies, ensure ethical conduct of firms, and protect the rights of the insured.

The CBUAE has recently formed several committees and working groups chaired by His Excellency the Governor of the CBUAE, to complete the merger process.

Following the completion of the merger process, CBUAE in cooperation with relevant international authorities, will ensure implementation of best practices and standards in executing its mandate to supervise and regulate the insurance sector.

The Central Bank will continue to facilitate the advancement of new technologies across all elements of the UAE's financial sector as part of its FinTech strategy, including the adoption of InsurTech for insurance services. These initiatives will make the sector more competitive, innovative and facilitate financial inclusion.

CBUAE confirms that the rules, decisions, circulars, and regulations issued by the Insurance Authority under the provisions of the Federal Law No. (6) of 2007 shall continue to apply to all licensed institutions and activities until replaced by regulations issued by the CBUAE.

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