

# CAPACITY BUILDING IN THE CBUAE

## **1. Brief overview of the UAE financial sector**

The UAE has a large and vibrant financial sector. The Central Bank is regulating a total of 342 financial institutions in the UAE. There are 51 commercial banks which operate in the UAE. Of these, 23 are national banks with 823 branches and 28 are foreign banks with 156 branches. In addition, there are 103 licensed representative offices of foreign banks and financial institutions. The UAE is also very active in money changing with 113 exchange establishments with over 540 branches in operation.

## **2. UAE Government Strategy (2008-2021)**

One of the overall strategic priorities of the UAE government is to develop competence among its citizens by investing in the human resource capabilities and leadership development. The strategy over the next twenty years is to build a competitive knowledge economy enabled by skilled human capital.

## **3. UAE Central Bank Strategy (2008-2013)**

The resulting Central Bank strategic plan aims to support these government directives through the improvement of processes in Human Resources and improving the capabilities and skills of its employees, in particular, its nationals. The Training and Development Unit has expanded in order to support this development and several initiatives have commenced.

## **4. Current Programs and Initiatives in Capacity Building:**

### **A. Specialized Training with Financial Institutions**

In order to ensure best practice in the financial sector, the Central Bank currently receives specialized training in monetary policy and financial issues from multinational institutions including the IMF, World Bank, and the Arab Monetary Fund. The institution receives expert regulatory and supervisory training from major financial institutions such as BIS and the US Federal Reserve.

### **B. NBEP**

Greater demand in Banking Supervision led to the Central Bank's development of the National Bank Examiners Program (NBEP) in order to recruit and develop UAE national candidates into junior examiners. This program has been conducted in partnership with the IFS to offer trainees certification in bank examination. 30 candidates have received IFS2 certification and have now commenced practical training in the Banking Supervision Department prior to continuing their studies with IFS. In-house training is being provided to candidates to strengthen their English abilities and a developmental plan is being prepared to support these candidates in their endeavors.

## 5. Future Capacity Building Initiatives

### Building Expertise

These activities have been adequate to develop capabilities to date, but as the financial sector continues to mature and become more complex, the CB has to adapt its capacity building to address the resulting skill gaps. The two areas that have been identified for immediate development would be financial analysis and forensic accounting and courses are being developed by academic institutions for this purpose.

The Bank also encourages higher education in emergent topics and internships with other professional institutions at home and abroad in order to further develop its employees.

### Career Development Strategy

This initiative is currently underway to identify employees in junior and middle management and support their development as they progress in their careers. A career development strategy is being drafted for these national employees to ensure smooth progression to upper management. These initiatives ensure that CB is preparing career development plans for entry level, junior, and middle management in the Bank through in-house training, mentoring, and access to professional and academic programs.

## 6. Cooperation with OIC Members

Whilst building expertise within the organization, the Central Bank has been proactive in building capacity with the OIC members through the following:

### Technical Expertise

The Bank has provided technical knowledge to other OIC countries over the years. More recently, expert teams from the Bank were sent to Yemen to provide training in payment systems and assist in the set up of a credit bureau. Another team also visited Syria to provide an overview of payment systems.

The Central Bank also receives teams from other central banks for the purpose of knowledge transfer in various areas of banking. The Bank has hosted teams from the Central Banks of Libya and Mauritania. Most recently in June 2010, a team from the Maldives Monetary Authority visited the Bank to gain insight into the operation and regulation of Islamic Finance in the UAE.

### MOUs

For the purpose of staff and information exchange, the Central Bank has also embarked on the signing of MOUs with regulatory authorities of countries such as Turkey, Uzbekistan, and Tajikistan. The Bank welcomes additional agreements in the future.

**List of Banks and Other Financial Institutions  
Licensed by the Central Bank of the UAE  
30/06/2010**

S.	Description	Head Offices	Branches	Notes
1-	<b><u>Banks:-</u></b>			
	A: National Banks	23	823*	*Includes (76) Pay Offices & (26) Electronic Ser. Units
	B: Foreign Banks Br.	28	156*	*Includes one Pay Office and (45) Electronic Ser. Units.
	<b>Total</b>	<b>51</b>	<b>979</b>	
2-	Invest Banks	2	-	
3-	Wholesale Banking	3	-	
4-	Finance Companies	24	23	
5-	Representative Offices	103	-	
6-	Investment Companies	20	-	2 Branches for Foreign Investment Companies
7-	Banking Consultant Financial & Investment Comp/Est.	13	1	
8-	<b><u>Monetary and Financial Brokers:-</u></b>			
	C: Currencies and Commodities Brokers	7	1	
	D: All Financial Brokers	6	1	
	<b>Total</b>	<b>13</b>	<b>2</b>	
9-	<b><u>Moneychangers :-</u></b>			
	A: Sell & Buy Currencies & Travellers Cheques	12	6	
	B: All moneychanger activities including Transfers	101	534	
	<b>Total</b>	<b>113</b>	<b>540</b>	
	<b>Total for all Licences</b>	<b>342</b>	<b>1545</b>	

**List of CBUAE MOUs with other  
Central Banks and Financial Institutions**

- |   |            |
|---|------------|
| <b>1. Isle of Man</b>                               | 20/02/2005 |
| <b>2. Central Bank of Tajikistan</b>                | 09/04/2007 |
| <b>3. Central Bank the Republic of Uzbekistan</b>   | 17/03/2008 |
| <b>4. Banking Regulations Supervision of Turkey</b> | 17/02/2009 |
| <b>5. Monetary Authority of Singapore</b>           | 24/03/2009 |