

The UAE banking and financial services system has made significant progress in recent years due to the Central Bank's increasingly strict control of financial institutions. The number of foreign bank representative offices in the UAE has risen steadily over the last few years, a trend ascribed to the floatation of several new companies and to the UAE's membership in the WTO.

Banking, finance and monetary transactions in the UAE are regulated on the federal level. In addition to the central bank, below are the following categories for banking and other financial institutions:

1. Commercial banks are further classified as either locally incorporated banks or branches of foreign banks.
2. Restricted licence banks are commercial banks authorised to receive deposits in foreign currencies only.
3. Investment banks provide medium or long-term financing only.
4. Finance companies may conduct only one or more of the following activities: advances and/or personal loans for personal purposes, financing small trade and small businesses including letters of credit and issuing guarantees, participating in the capital of projects.
5. Financial investment companies may open investment accounts and manage portfolios for individuals and companies and establish and manage investment trust funds and other investment funds.
6. Banking, financial and investment consultation activity licences are issued to individuals and companies to offer the above services for a fee
7. Money exchangers have a licence to mediate transfer of remittances abroad.
8. Financial and monetary intermediaries are financial and stock brokers licensed to intermediate in the sale and purchase of domestic and foreign stocks and bonds, currencies and commodities.
9. Representative offices of foreign financial institutions may not provide banking, financial and financial services other than promoting services of their parent institutions and collecting and providing information.
10. Financial institutions not subject to Central Bank licensing include specialised banks such as the Emirates Industrial Bank and Real Estate Bank, investment institutions such as the Abu Dhabi Investment Authority and Abu Dhabi Investment Company, developmental institutions such as the UAE Development Bank and insurance companies.

Commercial Banks

1. Locally incorporated banks: these are generally public shareholding companies having a majority of national shareholding. Currently there are 24 locally incorporated banks in the UAE with some 500 branches across the federation. All of these have a presence in Ras Al Khaimah. One of them is the National Bank of Ras Al Khaimah which is 52.75 per cent owned by the Government of Ras Al Khaimah. The bank is trading under the name of RAK Bank and has 21 branches and 5 kiosks across the UAE. Of these, 7 branches are located in Ras Al Khaimah, 8 in Dubai, 2 each in Abu Dhabi and Sharjah and 1 each in al Ain and Fujairah.
2. Branches of foreign banks: foreign banks that have been licensed by the Central Bank are permitted to open a maximum of 8 branches in the UAE. Currently there are 27 foreign banks operating in the UAE with some 120 branches. 11 of these banks are operating in Ras Al Khaimah.
3. In addition there are representative offices of foreign banks but these are explicitly barred from conducting banking activities in the UAE – see above.

Subject to compliance with recent money laundering regulations, it is fairly easy to open and operate a bank account. To open a personal account, a residence visa is needed.

When seeking medium-term or long-term industrial finance, local companies can also approach the Emirates Industrial Bank, set up by the UAE government with the objective to help develop the private sector. Banking credit facilities (funded and non-funded) are typically structured for working capital requirements of businesses. Long term financing is available but on a very selective basis or else on a largely collateralised basis. Leasing and hire purchases are available from local finance companies specialising in this business. Factoring has been recently introduced in the UAE but only a few institutions have been offering this service.

Import and export financing can be arranged through commercial banks.

Stock Markets

The Abu Dhabi Securities Market and Dubai Financial Market were established in 2000. They are supervised by the Securities and Commodities Authority and regulated by the UAE Securities and Commodities Exchange Law and by laws of their respective emirates.

Listing is restricted to the following:

1. Shares in joint stock companies incorporated in the UAE or those whose head office is located in the UAE.
2. Shares of companies not holding the nationality of the UAE which are approved for listing by the Board of the respective institution.
3. Bonds and debt instruments which the Board resolves to list.
4. Any other securities approved for listing by the Board.

The paid-up capital of public joint stock companies should not be less than 50 per cent of shareholders' equity, which may not be less than AED 20 million.

Foreign companies applying to list in the UAE must exist for more than two years prior to application, their capital must exceed AED 40 million and the number of registered shareholders in the company must exceed 100.

All stock brokers must be registered in the Register of Brokers. The broker must be either a UAE citizen or a company registered in the UAE where at least 51 per cent of its capital is owned by an individual or a company holding the nationality of the UAE. There are separate licences for brokers dealing with domestic shares and bonds and foreign shares and bonds.

Insurance

Insurance companies formed in the UAE must take the form of public joint stock companies and at least 75 per cent of the capital must be owned by individuals who are UAE citizens or companies wholly owned by UAE citizens. All insurance companies must be registered in the Insurance Companies Register operated by the Ministry of Economy.

Some 50 insurance companies are active on the UAE market, equally split between national insurance companies such as the Ras Al Khaimah National Insurance Company and local branches of foreign insurance companies. Of these, 11 are active in Ras Al Khaimah and provide a full range of insurance services to both companies and individuals.

Insurance brokers must be registered in the Insurance Agents Register at the Ministry of Economy and may represent only insurance companies registered in the Insurance Companies Register.

How to Open a Bank Account in the UAE

Opening a bank account in the UAE is very easy, although requirements vary from bank to bank. To open a current/checking account, you must be a resident. However, some banks allow non-UAE residents to open saving accounts. Some banks set a minimum account/balance limit.

Documents Required:

- Passport with residency (original and copy)
- A letter of no-objection from the employer/sponsor

Procedure:

- Carry the above mentioned documents to your nearest bank or to the bank of your choice.
- You can find a list of the banks in the UAE below

Banking and Financial Services in Ras Al Khaimah

Commercial Banks and Representative Offices Existing Links

1. ABN Amro Bank NV
2. Abu Dhabi Commercial Bank
3. Abu Dhabi Islamic Bank
4. Al Ahli Bank of Kuwait
5. Al Rafidain Bank
6. Arab African International Bank
7. Arab Bank for Investment and Foreign Trade
8. Arab Bank PLC
9. Bank Melli Iran
10. Bank of Baroda
11. Bank of Sharjah
12. Bank Saderat Iran
13. Blom Bank France SA
14. Banque Du Caire
15. Calyon Bank
16. BLC Bank
17. BNP Paribas Bank
18. HSBC Bank Middle East
19. CitiBank NA
20. Commercial Bank International
21. Commercial Bank of Dubai
22. Dubai Islamic Bank
23. Dubai Bank PJSC
24. El Nilein Bank
25. Emirates Bank International
26. Emirates Islamic Bank
27. First Gulf Bank
28. Habib Bank Limited
29. Habib Bank AG Zurich
30. Invest Bank
31. Janata Bank
32. Lloyds Bank TSB
33. Mashreq Bank
34. National Bank of Abu Dhabi
35. National Bank of Bahrain
36. National Bank of Dubai
37. National Bank of Fujairah
38. National Bank of Oman
39. National Bank of RAK
40. National Bank of UAQ
41. Sharjah Islamic Bank
42. Standard Chartered Bank
43. Union National Bank
44. United Arab Bank
45. United Bank Limited

Representative Offices

1. Bank of Bahrain and Kuwait
2. Barclays Bank
3. Doha Bank
4. ED and F Investment Products Ltd.
5. ICICI Bank
6. Korea Exchange Bank
7. Standard Bank London Ltd.
8. Union Bancaire prive'e (CBI-TDB)
9. Westdeutsche Landesbank