

25 July 2013

UAE DIRECT DEBIT SYSTEM (UAEDDS)

The Central Bank of UAE has announced implementation of the Direct Debit System (UAEDDS) with effect from 15th August 2013. The introduction of Direct Debit System (DDS) is expected to boost transparency, reduce paperwork, nearly eliminate cheques for installments upon obtaining a loan/finance and save time as well as boost operational efficiency for all our customers.

Direct Debit is a safe and convenient method of making payments and is ideally suited for regular automated payments with fixed or variable amounts such as mortgage or loan repayments, credit card re-payments, utility bills, insurance payments and subscriptions.

As you may be aware, Direct Debit facility collects recurring payments from a payers account on a periodic basis. The Central Bank will launch this initiative in two phases:

Phase	Functionality
Phase 1	All Financing payments / Loans advanced to <i>Individual</i> customers will use UAEDDS e.g. mortgages and car loans
Phase 2	All other recurring payments - utility fees, service fees, insurance premiums, rent, school fees, retail loan repayments and Credit Card payments will use UAEDDS

After the launch of UAEDDS, customers can directly approach participating financial institutions to set up repayments through their individual respective BANK accounts.

Client Benefits:

As a client you can take advantage of this service by making your recurring payments through the UAEDDS. The key benefits are:

1. It is secure and one time set up
2. It is mandate driven
3. No worries about remembering to pay at the right time. The only thing a payer needs to remember is that there is sufficient cash in the account to cover the payment.
4. No need to write post-dated cheques.
5. No queuing at payment offices, banks, exchange houses or post offices to make the payment
6. Substantial reduction in the cost collection that should benefit all payers and receivers.
7. It is automated and there is no need for manual tracking to meet payment deadlines.
8. It eliminates the need for paper based payment instructions for recurring payments.
9. Lower cost.
10. Greater convenience.

All Commercial Banks licensed by the UAE Central Bank are mandated to participate in the UAEDDS as a 'Payer Bank' and/or a 'Sponsoring Bank'.